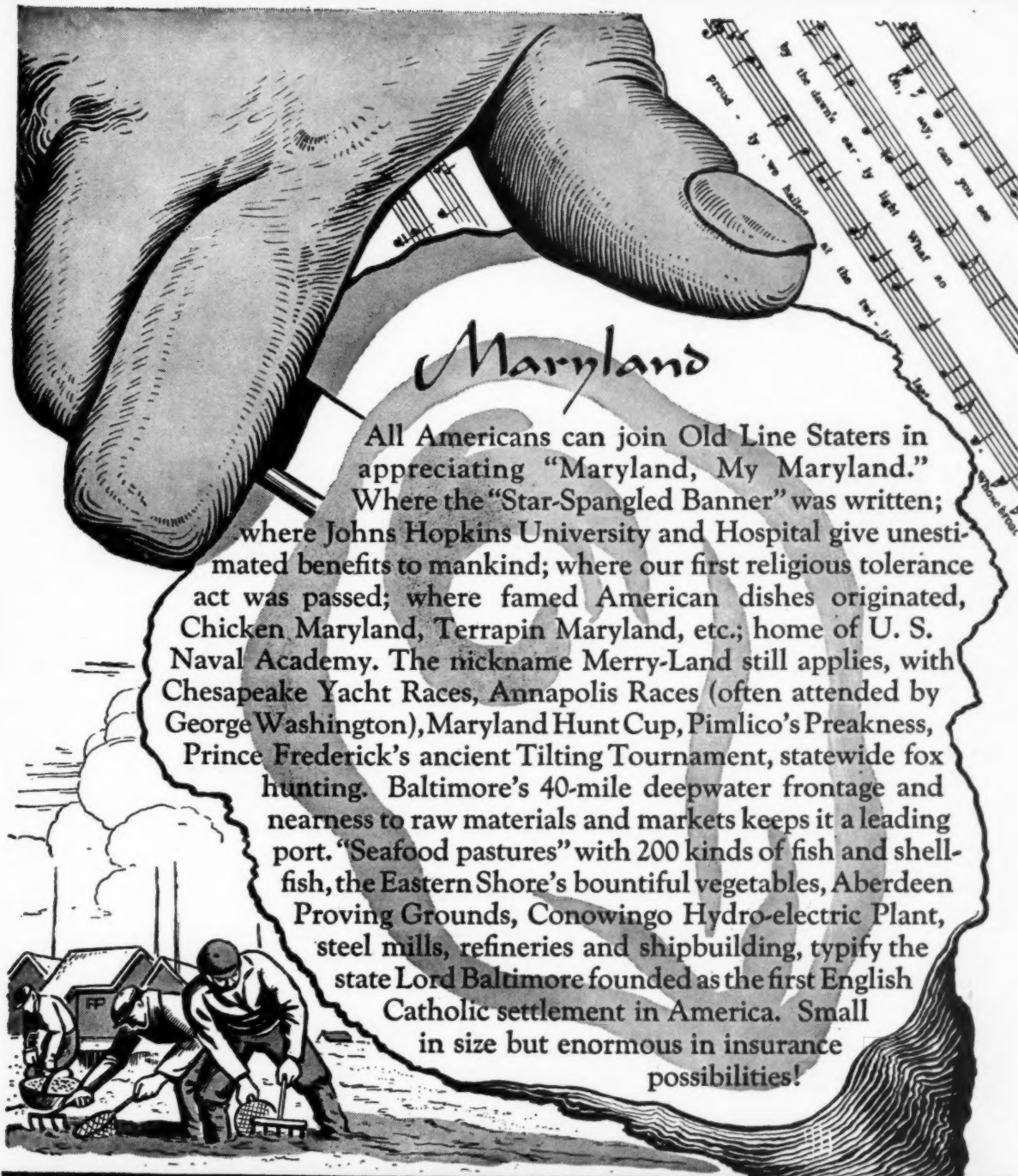


The NATIONAL UNDERWRITER



Maryland

All Americans can join Old Line Staters in appreciating "Maryland, My Maryland." Where the "Star-Spangled Banner" was written; where Johns Hopkins University and Hospital give unestimated benefits to mankind; where our first religious tolerance act was passed; where famed American dishes originated, Chicken Maryland, Terrapin Maryland, etc.; home of U. S. Naval Academy. The nickname Merry-Land still applies, with Chesapeake Yacht Races, Annapolis Races (often attended by George Washington), Maryland Hunt Cup, Pimlico's Preakness, Prince Frederick's ancient Tilting Tournament, statewide fox hunting. Baltimore's 40-mile deepwater frontage and nearness to raw materials and markets keeps it a leading port. "Seafood pastures" with 200 kinds of fish and shellfish, the Eastern Shore's bountiful vegetables, Aberdeen Proving Grounds, Conowingo Hydro-electric Plant, steel mills, refineries and shipbuilding, typify the state Lord Baltimore founded as the first English Catholic settlement in America. Small in size but enormous in insurance possibilities!



CRUM & FORSTER
MANAGERS



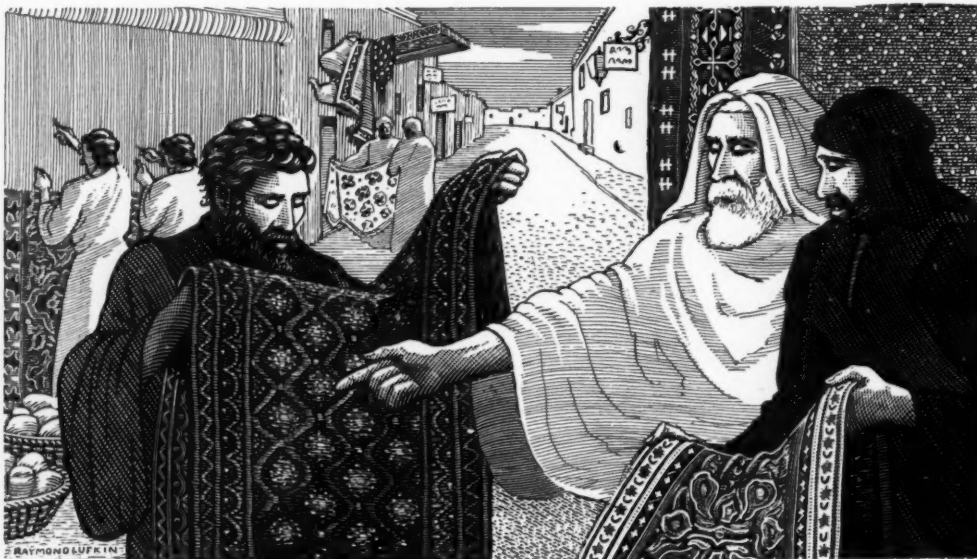
110 WILLIAM STREET • NEW YORK, N. Y.

UNITED STATES FIRE INSURANCE CO.	Organized 1824	RICHMOND INSURANCE CO.	Organized 1836
THE NORTH RIVER INSURANCE CO.	Organized 1822	WESTERN ASSURANCE CO., U. S. Branch	Incorporated 1851
WESTCHESTER FIRE INSURANCE CO.	Organized 1837	BRITISH AMERICA ASSURANCE CO., U. S. Branch	Incorporated 1833
THE ALLEMANNIA FIRE INSURANCE CO. of Pittsburgh	Organized 1868	SOUTHERN FIRE INSURANCE CO., Durham, N. C.	Incorporated 1923

WESTERN DEPT. FREEPORT, ILL. • PACIFIC DEPT. SAN FRANCISCO • SOUTHERN DEPT. ATLANTA • ALLEGHENY DEPT. PITTSBURGH • CAROLINAS DEPT. DURHAM, N. C.

THURSDAY, FEBRUARY 20, 1947

PARABLE OF THE KNOT



Of watching the weavers, Amaturus never tired. One day came a Prince from Egypt to inspect their work.

"O wise Amaturus," said the Prince, "of the many characteristics of these Persian rugs, which is most worthy of my study?"

Amaturus replied: "Observe the Senna knot, tied so tightly around warp and woof. To it is due the Per-

sian rug's famed firmness of pattern and durability. Yet the knot is invisible to the one who admires the beauty of the rug. Only when one turns the rug over can the knot be detected."

How like the Senna knot is an insurance policy! Properly written, adequate in amount, it holds together firmly the warp and woof of our economic fabric.

... for three-quarters of a century National Fire Group agents, companies, and fieldmen have developed skill and ability in modern insurance matters.

—D. S. Butler

The National Fire Group

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
MECHANICS and TRADERS INSURANCE COMPANY

FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK
TRANSCONTINENTAL INSURANCE COMPANY

UNITED NATIONAL INDEMNITY COMPANY

EXECUTIVE AND ADMINISTRATIVE OFFICE, HARTFORD 15, CONN.

WESTERN DEPARTMENT

175 W. JACKSON BLVD., CHICAGO 4, ILL.



PACIFIC DEPARTMENT

234 BUSH STREET, SAN FRANCISCO 20, CAL.

MEMBER THE ASSOCIATED AVIATION UNDERWRITERS

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Pittsburgh Day Is Again Outstanding Success

More Than 1,200 at
Banquet Culminating
21st Running

By LEVERING CARTWRIGHT

PITTSBURGH—With more than 1,200 attending the banquet, with a turnout for the luncheon of 1,000 and with most of the 14 educational forums during the morning and afternoon attracting capacity audiences, the 21st running of Pittsburgh Insurance Day Monday was another feather in the cap for the insurance fraternity here that sets so much store by this event. This is a highly concentrated gathering and every minute is put to use, but at the same time there is plenty of opportunity during the day and night for the Pittsburghers to rub elbows in a convivial way with each other, and with the dozens of company and bureau executives from the various underwriting centers.

Superintendent Dineen of New York, the luncheon speaker, had marshaled his arguments for the all industry rating legislation in masterful style and his presentation was obviously very effective. Incidentally, it was brought out later in the day that the Pennsylvania all-industry committee, headed by E. M. Biddle, general counsel of North America, is ready to release its proposals. This committee, which has been deliberating for six months, insists that it is not to be classified as a rebel on the subject, that for the most part its program adheres to the model and that its departures therefrom are not designed to lessen in any way affirmative regulation.

Malone Makes Big Hit

James F. Malone, Jr., the newly appointed insurance commissioner of Pennsylvania, gave the audience a great thrill in his address at the banquet. It had been thought that he would speak very briefly, but instead he outlined at some length his philosophy and purpose. He speaks in strong voice and has a good command of the language. He displays a sense of humor, he is a thorough-going free enterprise man, he was modest in acknowledging his lack of familiarity with insurance matters, but he was positive in expounding the principles that he goes by and setting forth his idealistic conception of the insurance business. He is a Pittsburgh lawyer and was chairman of the Allegheny county Republican committee. His mother and his wife were in the audience.

Mr. Malone said that immediately upon taking office he was plunged into highly involved situations. In the first place there was the situation created by the injunction issued by the Dauphin county court, at the instance of a group of Pittsburgh agents, requiring the insurance department, in licensing agents, to give heed to the provisions requiring the candidate for license to possess "underwriting experience, exclusive of solicitation." The Pittsburgh agents took its action on the report that the department had been licensing automobile dealers as agents. For the past month no agents licenses have been issued of any kind, except some temporary licenses to take care of emergencies created

(CONTINUED ON PAGE 6)

PEACE WORSE THAN WAR

Snow Tells Pittsburghers U&O Loss Up Since Peace

PITTSBURGH—In his exhaustive and interesting review of the present business interruption situation at Pittsburgh Insurance Day here,

Chester A. Snow, secretary of Phoenix of Hartford, said that loss experience was satisfactory during the war, but during the post-war period has climbed considerably faster than the property loss ratio, the average business interruption loss now being approximately 50% greater than it was during the war. He also predicted that eventually only the contribution forms will be used and these will be reduced to two by combining the mercantile and manufacturing editions.

Although in about one-third of the losses during the war the business interruption loss exceeded the property damage loss, Mr. Snow said the business interruption loss ratio was lower than the property damage loss ratio, indicating that probably a 50% increase in rate would have been sufficient for the priorities assumption endorsement, instead of the 100% increase which was in force during the war.

Prevalence of Underinsurance

While the premium volume of business interruption insurance during each war year was four to five times greater than that of 1940, Mr. Snow said that most firms were greatly underinsured. On the average, they were 32% coinsured in losses. The excellent loss ratio demonstrated the resourcefulness and ingenuity of American business men in getting back into operation despite all obstacles, with assistance, of course, in war production lines from the army, navy, and other governmental agencies.

Contrary to all expectations, Mr. Snow said, business interruption insurance has continued to grow since the war, the drop from cancellation of war contracts being more than offset by new business. However, business men have found the problem of reconversion in most cases more difficult than conversion. The 50% increase in the average business interruption loss since the war is due largely to inability to secure construction materials, particularly lumber. This also accounts for the fact that, while property damage losses increased about 23% in 1946, as compared with 1945, business interruption losses were up 35% during the same period.

Trends in Forms

Mr. Snow said that the action of the New England Fire Insurance Rating Assn. last November in cutting down the number of business interruption forms to four indicates what may be expected throughout other major jurisdictions. The four forms are the mercantile and manufacturing editions of the two-item 80% contribution form and the mercantile and manufacturing single item gross earnings forms. He confined his remarks on the present day status of forms entirely to these four.

In predicting an ultimate reduction to two forms—80% contribution and gross earnings—Mr. Snow said that it is not as difficult to work out a form which can be used for both manufacturing and mercantile operations as might appear at

first glance, although it would have to be somewhat longer than any of the present contracts. Actually, only the problem of ordinary payroll makes two forms necessary—otherwise a single form could be used for all situations.

Gross Earnings Form

At present, Mr. Snow said, the one item 80% contribution form is more popular with manufacturers and the gross earnings form with mercantile risks. The difference is ordinary payroll, since very few manufacturers carry this coverage, although there has been a tendency to give it more consideration in recent years. On the other hand, clerks in stores often have a strong personal following, which they would take to a competitor should the store be forced to suspend because of fire, and many merchants have always carried payroll coverage under item two of the contribution form. For this type of risk, the gross earnings form is usually more advantageous and actually it is now carried by more than 75% of the mercantile risks carrying business interruption insurance.

Although the majority of gross earnings policies for mercantile risks are written with 50% coinsurance, and this is sufficient for normal times, present difficulties in restoring property have led many mercantile insureds to carry 60% or higher coinsurance. Although the gross earnings form can be used for other non-manufacturing classes, such as hotels, garages, and theaters, it is not designed for them and in most cases such risks are better off under the 80% contribution form.

Manufacturing Risks

The gross earnings form for manufacturing risks, Mr. Snow said, is a more difficult problem, first because a majority of the manufacturers normally do not carry ordinary payroll coverage and second, because the percentage of ordinary payroll to annual gross earnings varies much more than with mercantiles. With manufacturing risks, this proportion varies all the way from 12.8% to 76.8%.

During the one year that the gross earnings form for manufacturing risks has been in use, less than one manufacturer in ten in the east has changed to the gross earnings form. On the other hand, in the middle west the switch was made by one out of every three manufacturers. This difference, Mr. Snow said, is probably largely due to the fact that the rate differential between the two forms is much smaller in the middle west than in the east.

As a general rule, if a manufacturer does not desire to carry ordinary payroll coverage, he is better off under the 80% contribution form unless his expense of heat, light, power, and ordinary payroll is less than 19% of gross earnings in eastern territory and less than 33% of gross earnings in western territory. However, Mr. Snow added the warning that, while an insured under those circumstances can purchase the 50% gross earnings contract for less money, he may lack protection for a long shutdown if he limits his insurance to that amount. He recommended that when the gross earnings form is used on manufacturing risks it should be written for at least 60% of the annual gross earnings.

Mr. Snow said that a major difficulty in drawing up the gross earnings form for manufacturing risks was a proper definition of gross earnings. Manufacturers usually arrive at what they call a "gross

(CONTINUED ON PAGE 25)

D. C. Commissioners Turn Thumbs Down on Model Bills

Find Excessive Regulation
Proposed and
Administration Costly

WASHINGTON—Commissioners of the District of Columbia turn thumbs down on the all-industry committee model casualty bill and recommend instead Superintendent Jordan's bill, introduced by Rep. Simpson, Illinois.

Writing Rep. Dirksen, chairman of the House district committee, the commissioners say they are in accord with the general purposes of the all-industry bill sponsored by Rep. Gwynne, Iowa. The letter says, however, that:

"It is better to enact insurance legislation specifically designed to meet the peculiar needs of the District rather than to apply a general standard designed for hypothetical situations."

Cite Three Objections

The commissioners set forth three objections in particular against the Gwynne bill, which are condensed as follows:

"1. It provides for a kind and degree of regulation in excess of that necessitated by conditions in the District, and by provisions of public law.

"2. It would be extremely difficult and unnecessarily expensive to administer.

"3. Certain words and provisions . . . indicate it was drafted for a hypothetical situation or jurisdiction rather than for the District."

The commissioners' letter says provision of the Gwynne bill requiring insurance companies to file a mass of manuals, rules, rates and rating plans would force the District to hire "many additional clerks, stenographers, statisticians and high-salaried rate experts."

The superintendent, they said, would have to add an expensive staff unless he gave mere perfunctory consideration to such filings and rates. These objections, some of them, are in line with Mr. Jordan's objection that he could not administer the Gwynne bill without a much larger staff and a larger budget.

Jordan Withholds Comment

The bill, introduced by Rep. Simpson, Illinois, which embodies ideas of Mr. Jordan, appears to be based on the same principles, in general, as the all-industry committee bill, according to insurance industry representatives. Mr. Jordan himself declines to compare his bill with the all-industry bill or otherwise comment upon it, on the ground it would not be proper while his draft bill is pending in the budget bureau.

Basically, both bills are said to provide for the same type of control; differences are principally in administration. The all industry bill requires bureaus and companies to do certain things. The Jordan bill provides that after a certain time the superintendent may require companies and bureaus to do certain things.

Mr. Jordan is reported objecting to the all industry bill on account of the large amount of administrative work it would entail and the cost. He holds his staff and funds are not sufficient.

If his bill is enacted, it is said he (CONTINUED ON PAGE 8)



C. A. Snow

Broaden Furriers' Customers Policy

Now Mandatory to Add Items Once Covered in Collateral Contract

Effective March 1 it will be mandatory to incorporate in the furriers' customers policy, which now covers only fur and fur trimmed garments, protection on other garments, textiles and similar articles customarily accepted for storage.

There is no change in rates heretofore used but since the insured will have to declare the values on the garments now to be included, it will result in higher premium charges for the risk.

In the past, insured desiring this protection could buy along with the furriers' customers policy a furriers' collateral policy. Now the coverage will be in one contract.

New Contract Plugs Gap

Several authorities maintain this change is advantageous to both the insured and the insurer. The modified contract provides the coverage necessary to plug the gap on risks that bailees might assume, with no insurance, on garments and other property other than furs or fur-trimmed items. For the company, it eliminates the possibility of less scrupulous insured making claims for goods not actually insured under the contract, for which no premium revenue is derived.

Considerable interest in coverage on woolen garments has been evidenced by bailees recently because of their customers wishing to place such goods in storage rather than to keep them at home.

Reason for this is that the cost of quality merchandise has increased enormously and the owners wished to have the best maintenance and protection available rather than to chance keeping the property at home where it would be exposed to vermin, moths, and theft.

Some underwriters believe this improvement in coverage will be welcomed by assured.

Tenn. Auto Dealers Appeal

NASHVILLE — Fleeing errors in the decision of the judge and seeking a certiorari action on records in the case, John J. Hooker, attorney for the Tennessee automobile dealers, has appealed the decision of the state court of appeals in sustaining the action of Commissioner McCormack in refusing to license auto dealers as representatives of Motors of New York.

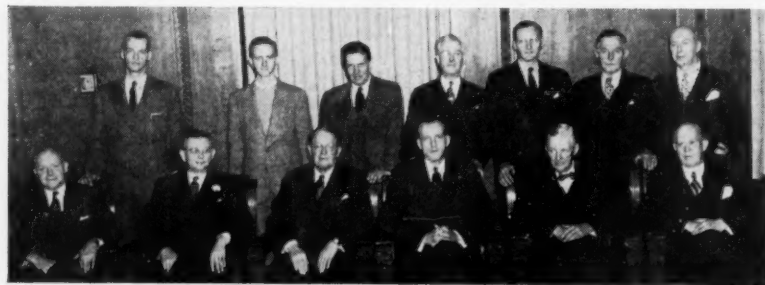
A joint defense of the commissioner's action is being made by the insurance department and state associations of both stock and mutual agents.

A proposed amendment to the insurance code, now in the insurance committee of the legislature, would prohibit issuance of license to "dealers in personal property." Passage of this bill, which is being fought bitterly by the automobile dealers, would make the decision in the suit immaterial.

U. of Va. Insurance Course

Dr. T. W. Douglas, assistant professor of economics at the University of Virginia and formerly director of market research for Penn Mutual Life, called on Commissioner Bowles and managers of several life companies in Richmond. He conducts a school in insurance at the university. The first semester, just ended, covered courses in life insurance with some 60 or more students in attendance. The second semester the course will include a study of property and casualty insurance and miscellaneous lines.

FIRE ASSOCIATION MANAGERS MEET



Fire Association managers recently met at the head office for the first time since the war while attending a three-day conference. Seated, left to right, they are K. B. Hatch, vice-president; J. O. Smith, Trezevant & Cochran, Dallas; A. F. Powrie, vice-president, Chicago; F. H. Thomas, president; R. B. Barnett, vice-president, Atlanta, and P. W. Barnes, vice-president, New York. Standing are L. M. Michel, secretary, Philadelphia; J. O. Smith, Jr., Dallas; K. C. Trotter, secretary eastern department; J. J. Kilgour, manager, Toronto; W. M. Houston, secretary, San Francisco; T. S. Deering, F. J. Barclay, vice-presidents.

Install New Cincinnati Officers

CINCINNATI — The Ohio Assn. of Insurance Agents supports a rating bill that will provide for a minimum of regulation to comply with PL 15, Theodore Safford, Cincinnati, chairman of its policy committee, asserted at the annual get-together meeting of Cincinnati Fire Underwriters Assn. J. F. Van Vechten, Akron, member of the N.A.I.A. executive committee, installed the new officers and trustees of the association. George B. Maggini, Perkins & Geoghegan, is president; Harold O. Roth, vice-president; J. F. Schaefer, secretary, and Frederick Rauh, retiring president. Other speakers were Superintendent Shield and T. M. Gray, executive secretary of the Ohio association.

Mr. Van Vechten said he had never before witnessed such "high octane" selfishness as was evident in the discussions on the all-industry bills. The agents want legislation bringing state laws into compliance with PL 15 and nothing else, he asserted.

Return to Old License Plan

Ohio is abandoning its present punch card license system and is going back to the system it has used in the past, Mr. Shield said. Complaints had been received from agents that their licenses could not be read, being merely a card punched full of holes, and also it had been difficult to locate information since it is necessary to send the files out of the office to the punch card firm when it is preparing the cards. He said he hoped an improved type of card similar to the old style card could be introduced. Michigan has also abandoned its punch card system.

Mr. Maggini announced that a special committee appointed to study the four agency limitation rule with St. Clair Bevis as chairman would soon have a report. R. F. Folz has been appointed chairman of the team in the Red Cross campaign.

Observes 50th Anniversary

The 50th anniversary of the founding of a local agency by the late Fred W. Burkley in Columbus, O., is being observed by his son, Walter R. Burkley, president, who incorporated the firm under its present name, Burkley & Son Co. Mrs. F. W. Burkley is vice-president, and Walter R. Burkley, Jr., is secretary-treasurer.

Slate George E. Allen for Director of Northeastern

HARTFORD — Among several nominees for election to the board of Northeastern is George E. Allen, former director of Reconstruction Finance Corp. Sale by Roger W. Babson of his interest in Northeastern during the past year to William Less, II, of New York was followed by withdrawal of the Babson representatives.

Other nominations for election to the directorate at the stockholders meeting March 4, include: Justin M. Carr, president of A. B. Duke & Co., New York; Guernsey Curran, Jr., Jonnell Development Corp., New York; H. Carl Northrup, Putnam County National Bank, Carmel, N. Y.; R. Howard Webster, Imperial Trust Co., Montreal, and Fred J. Young of Fred J. Young & Co., New York.

Less, Langer Renominated

Renominated for the board are Mr. Less, chairman, and William J. Langer, executive vice-president.

The committee on proxies for the meeting is composed of Messrs. Less, Langer and Northrup.

Rehabilitation of Northeastern is now complete, Mr. Langer states in his annual report. Combined operating expense have been reduced. The home office building is now 80% rented. Dividends have been resumed.

Fire and allied premiums written in 1946 were \$3,045,716, up 41.2% from 1945. The marine volume was \$774,792, up 6.3%.

Chicago Telephone Directory Is Now Being Distributed

The 1947 Insurance Telephone Directory for Chicago is now being distributed by The National Underwriter Co.

The new volume, the 21st annual edition, contains 167 pages and is the largest edition yet published. It is spiral bound for ease of use. The spiral binding was employed before the war, but was discontinued because of material shortages.

The directory is divided into two sections, one covering offices of the Insurance Exchange building and the other for the remainder of the city. Several improvements in contents have been incorporated in the latest edition. Where companies are listed, the name of the first officer or resident manager is also included. The directory also has a representative listing of insurance auxiliary operations, such as automobile suppliers, office suppliers, etc.

Otto E. Schwartz, associate manager in Chicago for THE NATIONAL UNDERWRITER, has prepared every edition of the Chicago Insurance Directory since 1926.

W. H. Markham & Co. Observes 75th Year

ST. LOUIS — The W. H. Markham & Co., agency is celebrating its 75th anniversary. George D. Markham, 88, senior member of the firm, is the sole surviving original member of the National Assn. of Insurance Agents. Although he spends little time at the office, he is keenly interested in its affairs and in insurance in all its phases.

Geo. D. Markham

He was born at New Haven, Conn., in 1859. Following his graduation from Harvard he entered W. H. Markham & Co. in 1881 where he learned the fundamentals of the insurance business under his father, W. H. Markham.

Fought for Rate Schedule

When he actively entered the insurance business the St. Louis Board of Fire Underwriters (now the Insurance Board of St. Louis) was fighting for its very existence as well as for the St. Louis rating schedule. This schedule, which established drastic rate reductions for buildings erected in accordance with the specifications prescribed by the board, was a momentous contribution to the insurance business. To the furtherance of the board and the rate schedule, Mr. Markham early devoted himself.

Mr. Markham has been president of the National Assn. of Insurance Agents, the Missouri Assn. of Insurance Agents and the St. Louis Insurance Board. He was a director of the U. S. Chamber of Commerce, representing the N.A.I.A. 1931-1933. He has been active in civic affairs in St. Louis throughout his business career.

Other members of the firm are C. S. Drew, H. R. Price, G. O. Carpenter, Jr., W. T. Jones, Jr., W. B. Knight, Jr., and C. F. Morrill.

Salary Issue Delays Iowa Commissioner Appointment

DES MOINES — Whether Governor Blue will reappoint Charles R. Fischer Iowa commissioner and whether the commissioner will accept the appointment has been complicated by a disagreement over the salary for the post. Fischer in his budget proposals for the department recommended that the \$5,000 annual salary be increased to \$7,500, with similar salary boosts for other members of his department. Blue trimmed this down to the original amount in his recommendations to the legislature.

The legislature establishes the salary and it is probable that Blue will not make his appointment until after the salary has been determined.

Other names mentioned for the commissioner post since the salary disagreement include State Senator E. K. Bekman of Ottumwa, chairman of the senate insurance committee, and Frank Halligan, Des Moines attorney.

Kenney St. Louis Speaker

ST. LOUIS — Roger Kenney, insurance editor "United States Investor," will speak on public law 15 and Missouri legislation at a luncheon meeting sponsored jointly by the Insurance Board of St. Louis and the Associated Fire Insurance Agents & Brokers March 11.

May Meet at White Sulphur

The annual meeting of West Virginia Assn. of Insurance Agents will probably be held in October at White Sulphur Springs, W. Va. It is now expected that the White Sulphur hotel will be ready for conventions by that time.

Waite Chair New

Harvey Ervin J. who had chairman chairman Kenneth man was from sec vice-pres win Q. was prom assistant to secreta secretaries were G Peacock, Liv e ly Lawton Leslie Lev Mr. Wa and celebr with the c



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Waite Honorary Chairman, Dickey New Chairman

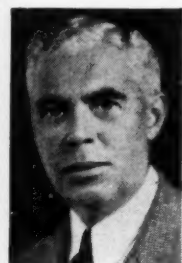
Harvey R. White has been named honorary chairman of Agricultural and Ervin J. Dickey, who had been vice-chairman, is made chairman.

Kenneth E. Chapman was promoted from secretary to vice-president, Edwin Q. Morrison was promoted from assistant secretary to secretary. New secretaries elected were George C. Peacock, Wilson Lively, John S. Lawton and W. Leslie Lewis.

Mr. Waite joined Agricultural in 1894 and celebrated 50 years of active service with the company three years ago. He



E. J. Dickey



H. R. Waite



K. E. Chapman

was elected president in 1928 and continued in that office until 1945 when he became chairman.

Mr. Dickey spent his early years in the south. He joined Agricultural in



Wilson Lively



George C. Peacock

1915 and served it in Georgia, Florida, Alabama and Tennessee successively as special agent, state agent, general agent; and in 1928 was called to Watertown to become vice-president and director. He was made executive vice-president in 1942 and vice-chairman in 1945. Mr. Dickey has had supervision throughout the southern states.

Mr. Morrison left Syracuse University to serve in the navy in the first war. He graduated at New York State Agricultural College in 1920. He then joined Agricultural and most of his service has been with the New York department. He was made assistant secretary in 1942.

Mr. Peacock joined Agricultural in 1921 and served in various underwriting departments. He was sent to Wisconsin in 1933 and became state agent in 1936. He has lectured widely at University of Wisconsin and other schools and was recalled to the home office a year ago as research director. He has supervision of the educational activities and is currently heading the automobile department.

Mr. Lively attended Ohio State University. He served with Ohio Inspection Bureau and then with Springfield F. & M. He joined Agricultural in 1927 and served as state agent in Ohio until called to the home office with the title of superintendent last August. He will

have part of the supervision of the middle western business.

Mr. Lawton, after naval aviation service in the first war, graduated from Syracuse University in 1920 at which time he joined Agricultural. He has been



W. LESLIE LEWIS

senior examiner and at various times has assisted in supervision of several territories.

Mr. Lewis graduated from Hamilton College in 1917. After foreign service in the first war he entered advertising, public relations and sales work, including a year as a real estate and insurance salesman. He joined Agricultural as advertising and sales promotion manager in 1933. For the past two years he has also been the personnel director.

G. I. Bisson New R. I. Commissioner

George A. Bisson, former Newport city treasurer, has been appointed as deputy administrator of insurance in the Rhode Island department of business regulation. He fills the post left vacant recently when J. Austin Carroll resigned to become secretary of Providence Washington.

The appointment was made by Thomas J. Meehan, director of business regulation, and approved by the governor. The position carries the designation of insurance commissioner.

Mr. Bisson had been Newport treasurer four years. He was senior field auditor for Rhode Island unemployment compensation board for five years, following a private career in auditing, accounting and tax work. He is a past president of Rhode Island Public Finance Officers Assn.

Name Committees of Bar Group

J. Harry LaBrun of Philadelphia, chairman of the American Bar Association's insurance law section, has announced the section's committees. Following are the chairmen and vice-chairmen, respectively, of the committees of interest to the fire and casualty side of the business.

Where no company connection is indicated, the lawyer referred to is in private practice.

Automobile: F. B. Baylor, Lincoln, Neb.; William Doyle, counsel, Liberty Mutual, Boston; K. F. Grubb, Milwaukee.

Aviation: W. Percy McDonald, Memphis; S. C. Morris, Charleston, W. Va.; L. B. Parker, Kansas City.

Casualty: G. R. Dougherty, Milwaukee; R. I. Bauder, Los Angeles; L. C. Ryan, Syracuse.

Fidelity and surety: W. A. Mansfield, Detroit; A. M. Heron, Washington, D. C.; E. B. McCahan, associate counsel Fidelity & Deposit.

Fire insurance law: J. S. Foster, Newark; H. H. Berger, Kansas City; W. C. Thompson, Dallas.

Health and accident insurance: F. Roland Allaben, Grand Rapids; H. S. Don Carlos, superintendent of life and accident claims of Travelers; J. D. Randall, Cedar Rapids.

Insurance law practice and procedure: F. A. Betts, Los Angeles; Lon Hocker, Jr., St. Louis; F. R. Brown, Buffalo.

Insurance status: J. V. Bloys, assistant counsel, Life Insurance Assn. of America; Maynard Garrison, vice-president Fireman's Fund; H. E. Hilton, assistant director of Insurance U. S. Chamber of Commerce.

Marine and inland marine: G. E. Beechwood, Philadelphia; C. P. Kremer, New York City; E. G. Dobrin, Seattle.

Membership: Grover Middlebrooks, Atlanta.

Publications: H. W. Raymond, New York City; J. Harry Schisler, Fidelity & Deposit; J. V. Bloys, assistant general counsel, Life Insurance Assn. of America.

Regulation of insurance companies: C. C. Frazer, general counsel H. & A. Underwriters Conference; F. J. Creede, San Francisco; J. C. Smith, general counsel Jefferson Standard Life.

Workmen's compensation and employers liability: W. D. Pierson, Oklahoma City; W. C. Roplequet, St. Louis; J. P. Erwin, Philadelphia.

The conference committee on lay adjusters is composed of O. J. Brown, Syracuse and R. M. Noll, Marietta, both of whom are in private practice.

Query on Rat-Rice Loss

WASHINGTON—Another insurance transaction of Government Services, Inc., semi-official agency which runs cafeterias in government buildings here, which the Senate civil service committee is looking into, involves rat-infested rice belonging to the corporation and warehoused here.

GSI witnesses have testified that this rice was unusable, but the corporation accepted settlement from an insurance company whose policy covered it, on the basis of 60% of value.

The question has arisen among Senate investigators why, since the rice was a total loss insurance settlement was not obtained on a 100% basis. They plan to question GSI further along this line.

N.A.U.A. Files Increased Auto Rates in N. Y.

NEW YORK—National Automobile Underwriters Assn. has filed new rates with the New York department which represent a substantial increase both in collision and comprehensive. It is understood that this is the forerunner of similar filings and promulgations in other states, with effective dates probably late in March.

Change in Age Relativity

Part of the program is a change in the relativity in the different age groups as the deficiency in premium is most pronounced among the older cars. In New York the filings include an increase in minimum premium from \$6 to \$8 for comprehensive and \$5 to \$7 for fire and theft. The New York department rating bureau previously asked for more detailed supporting statistics to justify these higher minimums. Presumably the same increases will be included in the new filings for New Jersey, Oklahoma and Tennessee, which also turned down the earlier request for increased minimums.

Reasons for the increases are the continued high accident frequency and the high cost of repairs, both for parts and labor. The experience has been incredibly bad on material damage.

Independent Adjusters Hold Exec. Meeting at Chicago

Officers and members of the executive committee of the National Assn. of Independent Adjusters held a two-day meeting at Chicago this week to discuss plans for the annual meeting and revise the constitution.

The session on Tuesday was preceded by an open meeting at which handling of catastrophe losses was discussed. Participating were Donald Sherwood, general adjuster National Board; Gordon Davis, manager loss research division of American Mutual Alliance; Alfred Persson, president Wagner & Glidden, and A. D. Jones, vice-president United Adjusting, Dallas. Mr. Sherwood explained the setup of the National Board for handling large losses.

C. B. Lyle, Lyle Adjustment Co., Phoenix, Ariz., president, was in charge.

Janesville Line Boosted

JANESVILLE, WIS.—Upon recommendation of a firm of insurance counselors engaged to make a survey, the school board voted to increase insurance on all schools and equipment by \$263,100 on buildings and \$18,800 on movable contents. The increases of about 35% over the previous appraisal in 1942 bring the new total to \$1,612,800 on buildings and \$162,700 on contents.

Fire Company Experience in 1946 by Lines

	Fire		Extended Coverage		Tornado-Windstorm		Sprinkler Leakage		Riot & Explosion		Motor Vehicle	
	Premis.	Paid Losses	Premis.	Paid Losses	Premis.	Paid Losses	Premis.	Paid Losses	Premis.	Paid Losses	Premis.	Paid Losses
Am. Avia. & Gen.	379,916	81,300	65,206	8,384	2,141	438	162	.....	.....	.....	1,360,210	570,781
Buckeye Un. Fire.	458,822	152,917	229,115	50,004	16,541	9,266	183	43	91	.....	515,961	239,321
Equitable Fire, S. C.	284,221	100,629	68,406	13,734	4,185	1,988	296	.....	484	.....	16	.....
First Ky. Fire.	9,755	2,601	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Inter-Ocean Reins.	2,547,411	1,108,533	546,611	257,423	165,159	89,669	5,625	336	30,730	735	67,232	58,090
Natl. Grange Fire.	73,422	32,718	.....	.....	.....	.....	.....	.....	.....	.....	201,167	51,578
Secured F. & M.	61,984	29,610	28,056	2,897	1,142	204	.....	.....	.....	.....	254,702	67,283
South British	268,076	135,323	24,432	3,244	230	41	88	.....	12	.....	6,259	.....

Fire Company 1946 Statement Figures in Tabloid

	Assets	Inc. in Assets	Reins. Res.	Inc. in Reins. Res.	Capital or Stat. Dep.	Surplus	Inc. in Surplus	Net Premis.	Losses Paid	Loss Ratio %
Amer. Aviation & Gen.	2,593,745	814,404	1,228,896	656,844	500,000	451,628	-73,861	2,081,765	775,591	37.2
Buckeye Union Fire	2,159,789	707,039	1,147,990	383,580	500,000	364,072	-10,532	1,349,780	481,624	35.6
Equitable Fire, S. C.	1,555,049	60,486	356,964	61,788	300,000	762,151	-30,697	358,691	115,482	35.2
First Kentucky Fire	306,736	9,251	.....	.....	110,000	171,508	13,543	9,755	2,601	24.3
Inter-Ocean Reins.	6,447,311	664,652	3,740,202	652,449	500,000	1,547,227	-89,956	4,064,751	1,715,695	42.2
National Grange Fire	829,622	69,663	199,247	28,795	250,000	232,635	18,354	280,249	85,538	30.5
Secured F. & M.	846,378	124,138	.....	.....	308,345	206,632	-67,911	352,979	101,935	28.8
South British	1,453,520	23,072	290,774	44,731	300,000	787,533	-76,311	299,097	138,608	46.3

LONDON ASSURANCE MARKS 75TH ANNIVERSARY IN U. S.

London Assurance is currently celebrating the 75th anniversary of its entry in the U. S.

An anniversary booklet, "Seventy Five Years to Remember," will be released in March and will contain figures on 1946 operations.

In 1872 London Assurance along with other foreign companies which became interested in U. S. operations at about

that time, responded to the need for additional risk capital required in an expanding economy. The Chicago fire of 1871 had been a serious drain upon American insurance facilities. The Boston fire of 1872 did little to ease the situation.

The temper of the times was one of instability and in the troubled atmosphere London soon became identified

as a supporter of sound, conservative underwriting and a factor in all developments designed to stabilize business. It early became a member of the National Board committees. Charles Lyman Case, who served as U. S. manager nearly 30 years, was president of the National Board in 1920.

The first agents were appointed at New York and Philadelphia. In New

payment of these losses was taken from assets in the U. S. Funds were sent from London through Wells Fargo Bank of San Francisco.

Set Up Committee to Serve as Host to Commissioners

A number of company and organization leaders were named at a luncheon meeting in Newark on a state-wide general committee which is to assist Commissioner Carey of New Jersey as host to the annual meeting of the National Assn. of Insurance Commissioners in Atlantic City, June 1-5.

President Carol M. Shanks of Prudential, was host at the luncheon, which was held at the invitation of Commissioner Carey. The commissioner was named honorary chairman and Mr. Shanks general chairman. The committee includes:

Paul B. Sommers, president of American; H. P. Jackson, president of Bankers Indemnity; Barry Truscott, vice-president Camden Fire; Andrew MacKechnie, Jr., Central Union Fire; A. L. Polley, vice-president, Citizens; A. L. Bowerman, president Eagle Fire; J. J. Magrath, secretary of Federal; John R. Cooney, president Firemen's group; Philip A. O'Neill, vice-president Interstate; John J. Ward, regional manager Newark Fire.

J. A. Forrestel, vice-president New Brunswick; F. E. Driscoll, president New Jersey Manufacturers Casualty and New Jersey Manufacturers Assn. Fire; Jesse G. Roe, vice-president and secretary Selected Risks Fire and Selected Risks Indemnity; F. Glenn Breen, vice-president Standard Fire; S. Curtis Bird, vice-president Universal and Universal Indemnity; R. A. Altschuler, president International Fidelity; Richard R. Fisher, secretary New Jersey Title Insurance Assn.; Paul M. Van Wagon, secretary New Jersey State Assn. of Mutual Fire Insurance Companies; Charles Petrie, New Jersey Assn. of Mutual Insurance Agents; John C. Conklin, president New Jersey Assn. of Insurance Agents; Thomas E. Madams, president Casualty Underwriters Assn. of New Jersey; P. A. S. Rogers, president Surety Underwriters Assn. of New Jersey.

Chairman Shanks was authorized to appoint a secretary and such committees and assistants as advisable. He has appointed Sylvester C. Smith, Jr., general solicitor of Prudential, as secretary, and other appointments will be made in due course.

Four Changes in Simons Agency at Newark, N. J.

Several changes have been made in the Charles J. Simons & Co. general agency at Newark.

John W. Covert has joined the agency as manager of special hazards. Mr. Covert has been in the insurance business since 1916, most recently as insurance manager of Saranac Realty Co. of Newark.

William L. Schoeknecht, who has been with the agency for 20 years, became vice-president.

William H. Croland has been appointed a vice-president and placed in charge of the group life division.

Frank Dooley has been appointed manager of the claim department. Mr. Dooley formerly was claim examiner with Loyalty group for 12 years. He is well known as a tennis champion of New Jersey.

Muster 14 New Members

Jesse C. Hearn, Roanoke, president Alabama Assn. of Insurance Agents, and Millard R. McGruder, association manager, have been traveling through middle Alabama calling on members and non-members. They enrolled 14 new agencies in the association.

Miss Hazel Lasseter has joined the staff as secretary to Manager McGruder. She was graduated from commercial college and is a native of Florida, Ala.

The Insurance Women of Omaha will be hosts March 15-16 at the Fontenelle hotel to the clubs in region 5. This is the regular regional convention of local clubs.

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PIERCE MANSION, PORTSMOUTH, N. H.

Courtesy of Samuel Chamberlain

The Pierce Mansion at Portsmouth, outstanding among New Hampshire's distinguished old homes, greets passers-by with a beautifully proportioned doorway . . . a masterpiece in architectural design. It invites entry into a home constructed to meet many hospitable demands as well as the wear and tear of time. Time marches on, but the sincere workmanship, which New Hampshire pioneers put into these sturdy old homes, still brings enjoyment to all fortunate enough to visit them. This typical New Hampshire "mansion" is an example of structural honesty creating unchanging beauty.

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Appleton & Cox Is Celebrating 75th Anniversary

NEW YORK—Appleton & Cox, well-known marine underwriting firm, is now celebrating its 75th anniversary. This organization was formed under the name of Higgins & Cox, with offices at 50



HENRY B. DE GRAY

Wall street and the original members of the firm were A. Foster Higgins and James Farley Cox. At that time, they were attorneys for United States "Lloyds," which was patterned after London Lloyds and comprised 100 prominent business men and companies as subscribers. Higgins & Cox, attorney, acted as underwriters for the entire group.

Some of the accounts which were underwritten at that time are still carried on the books today. They moved to their present location at 111 John street in 1937. Today, with close to 500 employees, they have branch offices in most of the principal cities and have world-wide connections.

In 1916, the name was changed to Appleton & Cox, the partnership consisting of Herbert Appleton and Douglas F. Cox, who had succeeded his father in the old firm. In 1920, it was formed into a corporation with Mr. Cox as president and under his guidance became one of the leaders in the marine field. Upon the death of Mr. Cox in 1940 Harry E. Manee, who had been with the firm for over 50 years, served as president and later as chairman until his death in 1946.

Henry B. De Gray, who has been president since 1943, has been with the firm since 1919, having graduated from Princeton in 1918. He is a director of Westchester Fire, North River, U. S. Fire and Seaboard F. & M. He is also vice-president and director of American Institute of Marine Underwriters and a member of the executive committee of Inland Marine Underwriters Assn.

The executive vice-presidents are George D. Hoffman, who is also secretary, and Earle W. Murray. Miss Lydia C. Selby is treasurer. Other active officers and directors are Edward W. Schauffler, Owen E. Barker, William R. McBean, Fred Thieringer, Jr., John F. Campbell and D. Farley Cox, Jr., who is a grandson of the founder and a member of the third generation of the family to be represented in the firm.

Security Transactions

In the official summary of security transactions and holdings released by SEC for the period Dec. 11-Jan. 10, it is reported that W. Paul Stillman bought 300 shares of Continental increasing his holdings to 500 shares; U. S. F. & G. increased its holdings in Fidelity & Guaranty Fire by 1,338 shares to a total of 154,680; G. Lee Burgess sold 100 shares of New Amsterdam Casualty, his total now being 400 shares. J. Dougherty Mahon acquired 45 shares of New Amsterdam from his wife's estate and his holdings are now 942 shares.

Mass. Governor Praises Insurance National "Ads"

BOSTON—High praise was given the "inspiring and instructive and forward looking national advertising" which the insurance companies of the country have been carrying on recently, by Governor Bradford of Massachusetts in an address at the dinner given him by the Insurance Society of Massachusetts and attended by 700 insurance men.

The governor commended insurance interests who have confined themselves to appeals to the intellect, and common sense. He declared that insurance men know the pulse of public opinion, and should take greater interest in government. The governor pointed out that insurance interests own \$50 million of property in Massachusetts, but asked them to invest more heavily in local properties.

John J. Cornish of Field & Cowles, as senior member of the society, opened the meeting.

Fred H. Morasch, vice-president of Fireman's Fund, spoke for the fire interests, and noted that for the two years

1944 and 1945 the premiums on all lines in the state had reached \$104 millions but at the same time the losses had been \$53 millions, or 52%, not considering state taxes.

President George W. Smith of New England Mutual Life announced that Massachusetts has now gone ahead of Connecticut as an insurance state based on the size of business. He spoke for the life companies, and told of the \$14 billion of insurance in the state placed by its nine life companies, and outlined the plans of the Life Insurance Medical Research Bureau for combating circulatory diseases, now the outstanding menace.



This eighty-three year old company, and its well established running mates are, year by year, gaining an ever increasing number of representatives among agents and brokers who like the Fireman's Fund way of doing business--a helpful understanding of producers' problems, fast countrywide binding service, and prompt and cheerful payment of losses. Multiple line facilities and unquestioned financial security are further advantages to both producers and policyholders. Companies of Fireman's Fund Group are good companies to represent.



Listen to "Crimes of Carelessness", sponsored by National Board of Fire Underwriters, every Sunday afternoon on the Mutual network. See your newspaper for time and station.

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Home Fire & Marine Insurance Company
Western National Insurance Company
Western National Indemnity Company

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Pittsburgh Day Outstanding Success

(CONTINUED FROM PAGE 1)

ated by death and there have been numerous conferences in an endeavor to work out regulations specifying what "underwriting experience" shall consist of.

Mr. Malone said he sat for 3½ hours in a meeting without opening his mouth. He said he heard so many opinions as to what underwriting experience comprises that he concluded that those in the group didn't know any

more what it is than he did.

"Then they hit me with public law 15," Mr. Malone declared. "I had never heard of it before. I thought it was some new deal fantasy."

He said apparently the various elements in the insurance industry have as hard a time getting together as do the various political factors.

Then Mr. Malone got a laugh when he referred to the head table at which

were seated 54 "distinguished guests" in dinner clothes and with an overflow of "distinguished guests" at several special tables in front of him. He said it is always difficult in arranging for political gatherings to determine who shall be seated at the head table. There is always danger of causing resentment by leaving someone out. He said that the Pittsburgh Insurance Club had taught him something and that hereafter he would seat everyone at the head table.

Won't Be Dictator

"I am not going to run the insurance business or tell you how to run it," he said. "It is not the proper function of any politician to try to tell business men how to run their business."

Insurance, he said, produces \$10 million in taxes in Pennsylvania and "we want more insurance sold in Pennsylvania." Insurance, he said, is one of the most solid pillars in our economy. It reaches into more types of business than does any other activity.

"I believe in your business and I believe in private enterprise. I will undertake to protect the public interest, which never needs protecting against honest businessmen."

The department, he said, will introduce legislation which it believes will best serve the insurance industry and the public. It will give Pennsylvania regulatory legislation that will meet the requirements of PL 15.

Gives Conception of Politics

Mr. Malone said that he was sure that when his appointment was announced, the reaction in insurance circles was that "here is another politician who is being taken care of."

Mr. Malone said it is true that he is a politician, but he said politics is our science of government. Gov. Duff said to him that the insurance commissioner's position is, in the first place a lawyer's job. The governor declared that the department has been "unwittingly neglected in previous administrations." Gov. Duff said that insurance is big business and supervision of insurance is the equal of any job in the state. He said he wants insurance to prosper and wants the insurance department to be the best of any state. Gov. Duff said that whatever is needed in the way of finances, he will see that Mr. Malone gets.

He said he hopes to go out of office leaving the department one to be proud of. He said it will not be run on a political basis. He does not want to be a law enforcement officer. He wants the help and cooperation of the industry and in combination with them he hopes to be able to "remove those elements that are detrimental to the public welfare and to the industry itself." Faith and confidence of the people in the men that run the insurance business is all important. Once the public loses that faith, all is lost. Insurance must be far above suspicion. Cheaters, he said, always cast a pall over industry.

Lee Shield Attends

Also at the head table during the luncheon and dinner was another freshman commissioner, W. Lee Shield of Ohio. He formerly resided at Dormont, Pa., and Mrs. Shield is from Pittsburgh.

Presiding duties were shared by Norbert Weidner, Reliance Life, president of Insurance Club of Pittsburgh; George Avery, U.S.F. & G., general chairman of the day and Carl Dozer of Radio Station WCAE.

In the past each of the "distinguished guests" had been introduced individually, but this year a huge placard at the place of each one served the purposes of introduction so that part of the ceremony consisted merely of having the audience rise to salute the resplendent head table group.

Special recognition was accorded C. A. Nottingham, deputy U. S. manager of Royal-Liverpool, who has missed only one Pittsburgh Insurance Day meeting in the 21 years. Mr. Dozer explained that Mr. Dineen was not there because he "had to go back to Albany to repeal public law 15."

A big hand was given to Bessie Sny-

der, Greensburg, Pa., former secretary of Pittsburgh Insurance Agents Assn. who has been at Sarasota, Fla., for the past year in the interest of her health, but came back to handle the details in connection with Pittsburgh Insurance Day. Also an enthusiastic hand was given to Charles Bokman, New Amsterdam Casualty, who, until this year, had been the perpetual chairman of the day.

The final banquet attraction was the appearance of Cy Burg, Iron Fireman, Cleveland, who gave his inspirational salesmanship presentation.

Of the numerous other sessions during the day, the standout, from a sales stimulation standpoint, was the one at which Francis W. Potter of Aetna Casualty was the speaker. With his superb showmanship he gave a talk on comprehensive liability insurance that was highly motivating and this week dozens of Pittsburgh agents are undoubtedly putting his ideas into action and are enthusiastically soliciting such business.

The largest turnouts for these meetings during the day, however, were for the sessions on rating legislation and on the greatly strengthened Pennsylvania automobile financial responsibility act that goes into effect July 1.

McFall Gives Views

John M. McFall, vice-president and chief attorney of U.S.F. & G., was the lead-off speaker on rating legislation. His talk is reviewed in another column. Then George H. Hafer, Harrisburg attorney, sketched what is proposed for Pennsylvania. He is general counsel of Pennsylvania Assn. of Insurance Agents. It was that organization that last June suggested the idea of forming an all-industry committee in Pennsylvania. This was accomplished and thereafter the agents association simply constituted one element of that committee. There has been some misunderstanding on this and the impression has gained currency that the Pennsylvania proposals are those exclusively of the agents.

Mr. Hafer said that the committee proceeded to determine what is needed in Pennsylvania to get exemption from the pertinent federal laws. It examined state regulation of other lines and extracted certain principles. Much consideration was given to the matter of cost of regulation, and the committee agreed that in order to provide affirmative regulation, it was not necessary for the commissioner to go over all rate filings with a fine tooth comb. Hence the Pennsylvania proposed revision is that the commissioner "shall



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review such of the filings as it may be necessary to review in order to carry out the purposes of this act." In other words, the committee apparently feels that the commissioner can do his duty by a sampling process and that it is not necessary or desirable to tell the commissioner exactly what to do.

Positive Duty Imposed

Mr. Hafner laid much emphasis on the section 13d in the Pennsylvania proposal which states that in addition to any powers hereinbefore expressly enumerated in this act, the commissioner shall have full power and authority, and it shall be his duty to enforce and carry out by regulations, orders or otherwise, all and singular, the provisions of this act and the "intent thereof."

This, Mr. Hafner declared, places a positive obligation on the commissioner. It removes any possibility of criticism that the commissioner simply "may" exercise regulatory authority.

The proposed Pennsylvania bill makes applicable to all lines the provision that in the all-industry bill pertains exclusively to fidelity-surety. This is the provision that any special filing involving rate making factors not contemplated in previous filings shall become effective when filed and shall be deemed to be the requirement of the act until such time as the commissioner refuses the filing and so long thereafter as the filing remains in effect.

The casualty bill contains a special exclusion of excess insurance covering loss in excess of at least \$10,000 issued to self insurers, where the rate is not made by a rating organization.

Spotke Gives Analysis

A. E. Spotke, National Bureau of Casualty & Surety Underwriters, gave a very clear explanation of the new financial responsibility act. He said there is a new twist to the Pennsylvania law that is not found in other enactments of the New York-New Hampshire type.

If an uninsured motorist, immediately after the accident, posts security to take care of any judgment that may arise, he is not required to furnish proof of responsibility to respond to damages arising out of future accidents. However, if instead of depositing security immediately, he waits until a judgment is obtained against him and then makes arrangements to satisfy that judgment, he is required to furnish evidence of responsibility as to future accidents.

Mr. Spotke said that the emphasis in the Pennsylvania law is all on taking care of the first accident.

Question as to Appropriation

Incidentally, there is a big question mark about the Pennsylvania law which Mr. Spotke did not treat. The law was enacted in 1945 to become effective July 1, 1947, but there was no appropriation made for its administration. Pennsylvania political leaders are insisting that the cost of administration be borne by the insurance companies through a tax, as is done in New York. This all important matter has to be straightened out. Companies and agents are holding back on any advertising in connection with the law until this matter is resolved and also on the possibility that the law may be amended in some particulars that would have to be taken into consideration in any advertising or literature.

Incidentally, Mr. Spotke, in referring to automobile experience in general, said that there is some hope for an abatement of the loss cost per car which, together with increased rates, will give some note of optimism "to an otherwise dismal picture."

Mayor Lawrence Speaks

At the luncheon meeting Ralph Alexander, deputy commissioner of Pennsylvania was introduced, and Mayor Lawrence, who is president of the Harris Lawrence agency in private life, gave a talk.

Mr. Dineen, in his talk, said that the

criticisms of the all-industry bills can be reduced to 1—they are too rigid; 2—too costly to administer; 3—impose New York standards on other states. 4—they favor the mutuals. 5—they do not allow enough room for competition; 6—they don't take care of the producer.

Mr. Dineen then proceeded to give his answers to these criticisms.

As to the matter of protecting the producer, Mr. Dineen observed that E. W. Sawyer, general counsel for National Assn. of Insurance Brokers, is opposing the legislation, while in New York the five major brokers associations have endorsed the bill. This indicates,

among other things, he said, the very great difficulty in getting any unanimity of opinion. He pointed out that four of the commissioners committee on this legislation possess the agents slant, Harrington of Massachusetts was formerly a local agent, Johnson of Minnesota was a local agent, Thompson of Oregon was a life insurance producer and McCormack of Tennessee is especially close to E. H. Crump of Memphis, who is a very large local agent.

As to competition, Mr. Dineen said that the bills provide for all types of insurers, bureau and non-bureau, stock, mutual, reciprocal. There is provision

for deviations and any independent company can use bureau figures to support its own filings. There is the right of minority appeal which introduces democracy into the bureaus. There is provision for appeal by the assured.

Mr. Dineen acknowledged that insurance rate making cannot be reduced to an exact science and that the element of judgment plays an important part, but nevertheless he contended that a great deal more statistical material should be available.

Mr. Dineen alluded to the charge of E. C. Stone, U. S. manager of Employers Liability, that the stock companies



This month the Security companies are launching a new public relations program primarily designed to help our agents in their efforts toward greater understanding of insurance among their own clients and prospects.

The program is built around folders like the one above and the column reprinted at the right. There will be a new folder and column each month. The folders will bear our agents' imprints and will be supplied only to our agents to send their clients and prospects. Each column and folder will deal interestingly, informatively and readably with some subject on

which most agents are answering questions day in and day out.

Time and Newsweek will be used. These leading weekly news magazines, with combined circulations of two and a third million, reach the executive and professional men and women who lead America.

This advertising is not designed to sell insurance. It is intended to clarify confusions about insurance in the minds of America's most important insurance buyers, and thus help our agents get and keep friends for their agencies, our companies, and the entire insurance industry.

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The East & West Insurance Company of New Haven
New Haven Underwriters
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PROPERTY INSURANCE

Why Insurance Agents?

The insurance business isn't complex because we like it that way but because there are so many differences in the coverage buyers want and need. The main reason for the existence of the hundred thousand agencies is to fit the many types of insurance to the needs of the hundred million Americans who buy insurance.

An insurance agent is a combination of merchant and professional counselor. Many people get confused between the two functions. Most insurance agencies today are not individuals but partnerships or corporations, but nevertheless, people usually refer to the individual in the agency they use as "my agent". Depending on the location and type of business done, the agency may resemble a store, a law office, or even a kind of factory with scores of desks in long rows.

A legend persists that insurance has to be "sold"; that people rarely "buy" it. Like a good many legends this one isn't as true as it used to be. There's no way to find out who uses more initiative, insurance man or buyer, because buyers don't like to admit they've been "sold" anything, and agents insist that salesmanship is almost always necessary. But most people buy fire and automobile insurance as a routine matter. New and improved kinds of insurance, giving more coverage for less money—of which there are many—must be explained to people who need them. If that's salesmanship, then these types of insurance must be "sold".

Even well known kinds of insurance frequently require the initiative of the agent. If you own real property the chances are 99 to 1 it's insured against fire. In the last two years you've probably seen a dozen advertisements in the pages of Time pointing out that the dollar value of your property has gone up. Likely as not you have increased your insurance. But did you do it on your own initiative or did your insurance man suggest it to you? Probably you did nothing until he reminded you.

A good insurance agency has an amazing fund of information at its fingertips. Not only are there a hundred different forms of insurance—all of vital importance to some individuals or businesses—but there are all sorts of variations and combinations. Few men go into the insurance agency business today without special technical training. Even the smallest agency needs a half dozen fat, technical books known to the trade as rate and form manuals. Your agency may have scores of them.

Most people realize it's necessary to take a trained insurance man into their confidence to get insurance best for them and their pocketbooks. They know they can't correctly decide what they need because they don't know enough about insurance—and life is too short for them to study insurance to find out. They have other things to do. So they trust an insurance man.

One of the things they trust him to do is select for them a reliable company. More than 5,000 American agents have done that by choosing one or more of the Security insurance companies: the Security Insurance Company of New Haven, The East & West Insurance Company of New Haven, the New Haven Underwriters, The Connecticut Indemnity Company.



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1841 — "SECURITY." THE NATION'S WATCHWORD — 1947

are "hog-tied" in workmen's compensation competition in Massachusetts because of the type of rate regulation there. He said that the other day Commissioner Harrington issued a statement emphasizing that any insurer may file its own compensation rates in that state. However, Mr. Dineen said that Mr. Stone had not taken advantage of this opportunity.

Risk Research Position

Risk Research Institute takes the position that the Stone plan does not go far enough.

Mr. Dineen said that there had been rate regulation in New York since 1922 and that no producers have been hurt in that state. There were 198,000 licenses issued last year which would indicate that the agency business in New York is flourishing.

Mr. Dineen observed that some critics complain because there is not a provision in the bill stipulating that the legislation shall not be construed as abridging the right of private contract as to commissions. There are many factors to be taken into consideration on this score, he said. For instance, would such a provision imply that agents could combine among themselves to agree on commission scales? If so, he indicated the belief that this would put the law

in jeopardy.

Mr. Dineen warned his listeners to beware of 11th hour proposals and to at least get all sides of the story before jumping to conclusions. It may be found that proposals that are advanced at this late hour are ones that couldn't stand discussion if they had been brought forth in the early stages.

As to cost of administration, Mr. Dineen said that the cost in New York last year was only \$53,000 and that there was \$400 million of rate regulated business in the state. The cost was thus only .00012% of the total volume.

Fire Losses Continue at Record Highs

Estimated fire losses in the United States continued their upward climb in January, with losses of \$37,180,000, an increase of 14.8% over losses of \$49,808,000 in the same month in 1946, it is reported by the National Board. January losses were only 1.6% lower than the record high of \$58,094,000 in December, 1946.

Waste by fire in the 12 months ending Jan. 31, 1947, totalled \$568,859,000, an increase of 23.5% over the 12 months ending Jan. 31, 1946.

D. C. Commissioners Turn Thumbs Down on Model Bills; Favor Jordan Plan

(CONTINUED FROM PAGE 1)

contemplates undertaking the job in installments. Under the bill he could decide first for example, that workmen's compensation shall come in under requirements of the act. Later he could bring in automobile, surety bond, etc. However, it is said, he might never feel able, on account of personnel and funds, to bring plate glass, burglary, or certain other kinds of insurance under the law.

W. VA. SENATE PASSES CASUALTY BILL; SIMS LOSES

The West Virginia senate Tuesday passed the all-industry committee casualty rating bill and the inland marine rating bill with only seven negative votes, and the senate also passed the bill to create a separate insurance department instead of having insurance supervision be handled by the state auditor, who is Edgar B. Sims. Mr. Sims, it is reported, is seeking to bring about defeat of these measures in the house. He is opposed to the all-industry bills and while it had been thought that he was in favor of creating a separate insurance department, it is said that he is now fighting this plan.

Mr. Sims, at a senate hearing, was extremely caustic in his criticism of the model bills and tore into several of the witnesses with much venom, particularly Harold L. Wayne, secretary of Inland Marine Underwriters Assn. Mr. Sims had gotten up a casualty rating bill of his own which consisted in large part of the present fire insurance rating law of West Virginia and included provision for a statistical bureau to be operated in the state.

BILL IN MISSOURI

JEFFERSON CITY—The all-industry casualty bill has been introduced in the senate at the instance of Superintendent Jackson.

The law governing reciprocals would be amended to make them subject to the rate statute and the compensation rate filing statute would be replaced by the new law.

S. C. REPORT DUE SOON

Completing a task that has required some 18 months, a joint legislative committee of the South Carolina assembly named to study and revise insurance laws, will submit a 150-page printed report to the legislature by March 15, according to Senator William Baskin of Lee, committee chairman.

COMPOSE WASH. DIFFERENCES

SEATTLE—The proposed Washington code appeared well on its way toward passage after conflicting interests had agreed upon the wording of the casualty rating section. The agreement was reached less than three hours before the first scheduled public hearing on the proposed code, the evening of Feb. 13.

The section was reworded to require that a filing would have to be accepted unless the commissioner could show that it would impair the solvency of the company; that it constitutes unfair discrimination as between like risks and there was actually a rate war in existence.

The governing committee of Washington Assn. of Insurance Agents, representatives of local boards, of North-West General Agents Assn. and of independent casualty companies spent an entire afternoon discussing the proposed section. The attorney general's opinion was reviewed. Commissioner Sullivan and his Special Deputy Robert D. Williams, were called into the session and subsequently representatives of the agents met with mutuals, reciprocals and bureau companies to agree on the proposed wording.

As a result, the public hearing turned out to be a mild affair. More than 200 attended.

John D. MacGillivray, Spokane, representing Washington Assn. of Insurance Agents, submitted the proposed amendment and said that the conflicting interests had agreed upon a compromise. There followed in rapid succession various speakers for other groups, all speaking in support of the code.

SITUATION IN OHIO

COLUMBUS—Fire and casualty men will continue their effort to reach an agreement on regulatory bills and if they fail to come to an agreement, they will present their respective views to the legislature, which will then decide what should be done. The all-industry fire bill has been offered in the house and senate. A modified version of the all-industry casualty bill has been offered in the house by Rep. McClure.

Metzenbaum has introduced in the senate a casualty bill of his own.

Bills are also pending to put Ohio in the clear under the Clayton and federal trade commission acts. A. & H. bills in the senate and house are said to have the approval of the bureau and the conference. They do not provide for rate regulation.

There is a bill to enable the superintendent to make rules and amend the agents and solicitors license law extensively. There is a bill to permit deduction from state employee's salary for hospital insurance.

HOLD FIRE IN MICHIGAN

LANSING—Introduction of the all-industry bills in the Michigan legislature is anticipated before the end of the week but their reception is as yet uncertain, inasmuch as preliminary meetings of the state all-industry committee, named by Commissioner Forbes, have been comparatively free from controversy over merits of the measures at the commissioner's request. He told those present that he had pledged himself to have the bills offered in the legislature and that he felt all objections should be voiced to the legislature.

However, another meeting of the state committee is being called for March 12 in an effort to narrow as greatly as possible the range of differences. Members are asked to submit suggestions for amendments following introduction of the bills, to John Carton, president of Wolverine.

MAKE PROGRESS IN MONT.

The all-industry bills, supported by Montana Assn. of Insurance Agents, Montana Fire Underwriters Assn., Montana Casualty & Surety Assn., American Mutual Alliance and State Farm group, has been recommended "do pass"

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by house insurance committee, report adopted, and bill will be up for further consideration next week. Another insurance rate regulatory measure, introduced at the request of General Agent H. S. Dotson of Helena, is still in the house insurance committee.

Public hearing was held on the model bills recently. Those speaking in favor of the bill were F. J. Sullivan, National Board; Ory J. Armstrong, general agent of Northwestern Mutual Fire, who is also majority floor leader of House; Attorneys Tom J. Davis, Edmond G. Toomey, Wm. T. Boone, representing American Mutual Alliance, State Farm, and Assn. of Casualty & Surety Executives, respectively; Claude Gray, field representative of State Farm; Ed Heidel for Montana Assn. of Ins. Agents, and Wm. E. Rae on behalf of Montana Fire Underwriters Assn.

MODEL BILLS PASS IA. SENATE AFTER FIGHT

DES MOINES—The Iowa senate Tuesday passed the fire and casualty rating bills after a long battle to kill the measures.

The fire rating bill passed 35 to 12 and the casualty measure 34 to 11 and both measures now go to the house.

The bills, modeled after the all-industry measures, passed with only one amendments added which made clear that compliance with the acts would not be in violation of the Iowa Blanchard act which prohibits companies or combinations entering into agreements on rates.

Most of the battle centered over the Blanchard act.

Sen. Zastrow who led the attack against the bill, contended that the legislature should allow the Sherman anti-trust act to apply to insurance companies as well as every one else.

"You are passing a law to abrogate the laws of the U. S.," he declared.

Sen. Faul took the floor to take issue with Zastrow and other opponents.

The senate passed by 44 to 0 a bill to permit cross reinsurance by companies with a surplus of \$1 million or more, to permit casualty companies to write policies covering animals and surety companies to cover such risks as safekeeping of valuable papers and also to set the limit per risk at 10% of surplus to policyholders instead of 10% of paid up capital and surplus.

SITUATION IN MINNESOTA

ST. PAUL.—Counsel for Farmers Automobile Inter-Insurance Exchange appeared before the house insurance committee and asked to present amendments to the casualty rating bill. He was instructed to leave the amendments with the committee for later consideration.

The hearing, as was that of the senate insurance committee the same day, was given over to an explanation of the bills by Commissioner Johnson.

AGAINST NEW ALA. LAWS

MONTGOMERY—The legislative committee of Alabama Assn. of Insurance Agents held a meeting here on insurance legislation in the session commencing in May.

The committee concluded that the rating bills already on the books are adequate and there is no need to seek enactment of the all-industry bills.

The committee concluded that emphasis should be placed first on the proposal for establishment of the insurance department as a separate office, and secondly on an agency qualification law.

IND. BILL SAILS ALONG

INDIANAPOLIS—The casualty rating bill, is up for third reading in the senate after passing the house unanimously last week and is expected to encounter no serious opposition. This is the bill that provides that the filed rates shall be the maximum tariff and permits much flexibility as to deviations.

The fire rating bill is also up for third reading in the senate. The same is true of the amendment to the A. & H. code. The fair trade practice act is scheduled to pass the senate this week.

F.U.A.P. Speakers Listed; Educational Conference Planned

SAN FRANCISCO—Preliminary to the annual meeting of the Fire Underwriters Assn. of the Pacific March 10, representatives of agents' and managers' organizations will confer here March 7 with Richard Farrer, educational director of N.A.I.A., to lay plans for a more effective all-round educational program

for all segments of the fire and casualty business on the Pacific Coast.

The first day's program for the F.U.-A.P. meeting includes an address of welcome, by Commissioner Downey; "Personnel Management in the Post-War Era," Dr. John M. Willits, Stanford University; "New Automobile Statistical Plan," W. D. Hall, actuary National Automobile Underwriters Assn.; "Building Costs vs. Values," Earl D. Marshall; a fire prevention paper by Percy Bugbee to be read by Jay W. Stevens; a business interruption indemnity panel including George Mulcahy,

Kenneth Withers, Conde Withers and Fay Hawkins.

Tuesday March 11, C. M. Putnam, president California Assn. of Insurance Agents, will give a message from the agents. A panel on educational facilities, will have as participants Richard E. Farrer, Prof. A. W. Mowbray and John Henry Martin. An address on "Fission Other Than Nuclear," will be given by F. C. Beazley, president Pacific Board; "Critique on Inland Marine," T. A. Ruppel, Mervyn Collopy and F. H. Dumans; "Observations on Adjusting," S. C. Abbott, R. R. Moe and Frank W. White.



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Holdup Alarm Service: Provides facilities for silent signals to summon police without knowledge of intruders, in holdups or other emergencies.

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failure to signal and hastens appropriate aid in emergencies.

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CHICAGO

CHICAGO DISTAFF MEETING

At the February meeting of the Insurance Distaff Executives Assn. of Chicago, Miss Bertha E. Bidwell, department manager of W. A. Alexander & Co., will speak on "Streamlining Insurance."

COLLINS JOINS WALTERS AGENCY

S. R. Collins has joined the Edw. H. Walters & Co. agency in the Insurance Exchange building, Chicago, as vice-president in charge of production.

Mr. Collins started in the business with Johnson & Higgins at Detroit after graduating from the University of Michigan. In 1937 he joined the production department of Bartholomay & Clarkson, resigning in 1945 to devote his time to private interests in Michigan.

EXAMINERS TO HEAR CAMPBELL

Don C. Campbell, credit manager of America Fore in the western department, will speak on "Underwriting Probabilities" at the Feb. 20 meeting of the Assn. of Fire Examiners of Chicago. The meeting is to be in Klein's Restaurant. O. E. Gray, president, will be in charge.

W. U. A. MEETING PLANS

Western Underwriters Assn. which will hold its annual meeting April 15-16 at Asheville, N. C., will return to Grove Park Inn as its headquarters. It is difficult sometimes to get sufficient accommodations for all who attend but Grove Park Inn was found to have ample space. W. U. A. held its mid-year meeting last September at Asheville. A special train will leave Chicago April 11 so that the members and camp followers will have three days for recreation before the meeting starts on Tuesday. The governing committee, however, will meet April 12. C. H. Smith, Hartford Fire, is governing committee chairman.

New York City special train will leave April 11 arriving at Asheville the next day. Railroad representatives will have charge of the transportation arrangements.

President C. W. Ohlsen will appoint the chairman of the committee on order of business in a few days.

SEEK CHICAGO BOARD AGREEMENT

Directors of the Chicago Board are meeting Thursday in a further attempt to get an agreement upon revision of constitution and by-laws. Apparently there is still some hope that some means can be found to induce the companies that operate Chicago and Cook county counters to continue as board members along with the agents.

May Split Cause of Action

Under a decision of the Kentucky court of appeals, a person who was injured in an automobile accident is permitted to bring an action against the other motorist to recover for the personal injuries and an insurer, having paid a collision loss, is permitted to maintain a separate action to recover for the property loss. The case was Travelers Indemnity vs. Moore.

Other Motorist Not Sued

The court emphasized that the accident victim never sought to recover any judgment against the other motorist for damage to her automobile. The lower court had held that the causes of action could not be split in this way.

Mrs. Elizabeth Frances Grundy was the assured. She suffered severe personal injuries and the Grundy automobile was damaged to the extent of \$848 when it was struck by a truck driven by Randall Moore.

Travelers Indemnity paid \$848 under its collision policy. Mrs. Grundy recovered a judgment against Moore for the personal injuries.

Tells Stand of Ill. Bankers on Rating Laws

Harry C. Hausman, secretary of Illinois Bankers Assn., writes:

"My attention has been called to your issue of Jan. 23, page 17, an article captioned, 'Join Battle on Rating Bill Issue in Illinois.' At the bottom of column 2 in that article, you state, 'It is understood that the bankers group was actuated by the opposition to the bill on the part of London Lloyds.'

"May I ask you either to print a retraction of that statement in a forthcoming issue, or to give me some information by which you can substantiate it. Also, may I observe that the Illinois Bankers Assn. in any of its activities is actuated only in behalf of the interests of its membership. Over the years it has had as its policy concerning insurance an open market for the buyers of insurance in Illinois. The association does not care who or what concern offers insurance to its membership. It is only concerned that its membership receive complete coverage at reasonable costs, offered by underwriters-Lloyds or any others—who are financially responsible and who serve the interests of their assured satisfactorily.

"Our position with regard to the proposed so-called all industry bill is simply that it will circumscribe the usefulness of those insurers who do not care to act in concert with others. We have no interest whatsoever, nor would we oppose any bill which would permit those who want to act in concert to do so, but which would leave the status quo unchanged."

Wolverine Official Shifts

LANSING, MICH.—Walter H. Munyon, executive vice-president of Wolverine and for years head of its promotional and sales activities, is retiring from that post, although remaining a director.

Robert D. Denton, who succeeded the late Henry A. Platz as claim manager, was advanced to vice-president. He formerly operated an adjustment company at Fort Wayne, but now has relinquished all interests in that firm.

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POINTERS FOR LOCAL AGENTS

Let Prospects "Vote" on Comprehensive, Potter Asks

PITTSBURGH—Despite all the attention given it, and despite the fact that the coverage is "made-to-order," salesmen have done a poor job in selling comprehensive liability insurance, Francis W. Potter, field supervisor of Aetna Casualty, declared at Pittsburgh Insurance Day here this week.

Mr. Potter urged that clients be given a chance to decide for themselves whether they want the coverages afforded under the comprehensive policy.

One company, which wrote over 63,000 public liability policies last year, found that only 7,000 of these were on a comprehensive basis and only 8,000 had property damage included, he said, noting that such figures present a challenge to good salesmen and an opportunity to wide-awake producers. The trend has been growing stronger for broader, more modern contracts. So-called "all loss" contracts have been widely accepted by the insurance buying public.

Mr. Potter asked why have not more comprehensive policies been sold? Why do many agents continue to push the everyday garden variety of O. L. & T. and M. & C. policies with all the exclusions and loopholes? The answer is that producers have not given prospects and clients the chance to vote on whether they would prefer protection in a comprehensive form or limited individual type contracts.

Limited Forms Are Losing Out

The day is approaching when every commercial concern will want a comprehensive policy and the individual limited contract will be as antiquated as the horse and buggy, Mr. Potter asserted. Already, many agents who go out with the O. L. & T. renewal are finding that someone else has picked up the O. L. & T. renewal under a complete comprehensive form. Times were never better to present such contracts than they are today, he emphasized. Business is good, commercial concerns have the money to buy and agents have the contract they want.

It is easy to approach the buyer in a commercial concern, he said, with the simple statement, "Mr. Jones, how would you like a contract that provides up-to-date protection in event you are sued for bodily injury or property damage, whether based on some negligence caused by you or your employees, either at your place of business or away? A contract which will cover your automobiles, your employees driving their cars in your business, cars that you may hire or goods shipped by you on vehicles provided by independent contractors? This contract also will cover your premises, your manufacturing operations, your elevators, your lease, injury caused by your products after they have left your premises, additions and structural alterations by independent contractors and other claims brought against you because of bodily injury to some member of the public due to your operations. If you add some new location, if you take on a great many more employees, if you buy more trucks or acquire a new sales office in a distant city, you are automatically covered for all these additional operations. We will set up a premium based on your present exposures and operations and at the end of the year, we will check with you to see what changes there have been in any of your exposures and we can give you an additional bill for any increased or additional ex-

posures and a return check for any exposures that have been eliminated. It works just like the meter for electricity.

Takes Only One Hour

In the average case, on a fair sized risk, all information and data necessary for rating and underwriting can be obtained in less than an hour, Mr. Potter said, and it is then a simple matter to prepare a complete quotation, showing the prospect what all the features of coverage cost.

Mr. Potter remarked that every producer knows there is nothing worse than to have a client report a claim and have to tell him, "Sorry, but you bought

an O. L. & T. contract which only covers your products at the premises and since this loss involves a products claim based on an accident which happened after your product left the premises, you have no coverage."

At the final interview, with the complete proposal before the client, it is a simple matter to run down all the coverages on the proposal, giving him the opportunity to vote on every item of coverage. In most cases, the client may be told just how much the protection under each of these items will cost.

Client Is Responsible

Suppose the buyer looks at the products section, notes that he is being charged \$100 for bodily injury and \$40 for property damage, and says he does not wish this coverage. The agent simply writes, "not wanted," turns to the prospect and says, "Will you please put your initials after the words, 'not

wanted'?" The prospect will usually ask why. The agent can answer: "I want to be prepared in the event I am asked, 'Why didn't you protect me for this exposure?'" Usually, the prospect asks for more explanation of the coverage and if the agent has thought the risk through before the interview and has claim illustrations to offer, he stands a good chance to get an order for every item.

It is surprising how few buyers of insurance want to be recorded as having said no to some essential form of protection, Mr. Potter noted. He mentioned several cases in which an agent has come away with sizable comprehensive liability premiums where only an individual policy existed before. He told of an agent who had an automobile policy on one truck and a non-ownership policy (total premium, \$86), then completed a questionnaire with a manufacturer, made up a proposal, gave his



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AMERICAN & FOREIGN INSURANCE COMPANY - BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. - CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA - THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. - THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. - QUINCY INSURANCE COMPANY OF AMERICA - THE STAR FIRE INSURANCE COMPANY - FEDERAL UNION INSURANCE COMPANY - ROYAL INSURANCE COMPANY, LTD. - THE SEABOARD INSURANCE COMPANY - STAR INSURANCE COMPANY OF AMERICA

NEWS OF THE COMPANIES

Five Officers of National Fire Group Are Advanced

Directors of National Fire group have made five promotions of officers of the fire companies. O. A. Ogden, F. F. White, and A. J. Wyatt, assistant secretaries, were elected secretaries. J. K. Gifford, general agent, and Charles L. Rolfe, superintendent of the loss department, were made assistant secretaries.

Mr. Ogden joined the National Fire in 1924 as special agent in Ohio. He was appointed state agent in Michigan in 1941, and in 1943 became automobile superintendent in the



A. J. Wyatt



F. F. White



O. A. Ogden

western department. In 1945, he was elected assistant secretary to assist supervision of automobile and inland marine.

Mr. White started his insurance career as a local agent, then worked several years as an industrial and general adjuster. He joined the company in 1923 as special agent and later was made

state agent at Baltimore. In 1937 he was transferred to the home office and promoted to superintendent of the loss and reinsurance departments. In 1945, Mr. White was elected assistant secretary.

Mr. Wyatt started in a local agency at Brownsville, Pa. He joined National Fire in 1936 in western Pennsylvania. In 1943 he was promoted to general agent at the home office. In 1945 he was elected assistant secretary.

Mr. Gifford, with National Fire has been in the head office and the field as special agent in New York suburban territory and state agent in Pittsburgh. In 1946 he was transferred to the head office to assist supervision of the inland marine and automobile departments.

Mr. Rolfe has been with the group since 1923 in underwriting and field capacities, as special agent in Pennsylvania, special and state agent in Maryland and the District of Columbia.

Old Dominion Head Retires

ROANOKE, VA.—C. D. M. Showalter, founder and president of Old Dominion Fire, has retired as president and is succeeded by his son, English Showalter, an attorney and former vice-president.

The senior Showalter was secretary-treasurer of the company from its founding in 1923 until he was elected president in 1933.

Paul Senior Oregon Special

Payne Paul has been appointed senior special agent for the Oregon department of Northwestern Mutual Fire with headquarters at Portland. Recently a lieutenant commander in the naval air corps, he has been on special agency assignment in the Washington department since returning from the service early in 1946. Before the war he had a variety of field and home office experience with Northwestern Mutual.

Mayflower on Stock Basis

Mayflower of Columbus, a stock company, has taken over Mayflower Mutual. Senator John W. Bricker is president

and John G. Case, Jr., secretary. The company writes fire insurance. It has 16,500 shares of stock of \$12.25 par value, making its capital \$202,125.

Huth Elected a Director of Camden Fire

Harry O. Huth, vice-president of Camden Fire, was elected to the board of directors at the annual meeting.

Mr. Huth joined Camden in 1917 as state agent for northern New Jersey, succeeding John F. Gilliams, who went to the home office and later became president. Mr. Huth was transferred to the home office in 1929 as agency superintendent and in 1930 became assistant secretary. He was elected vice-president in 1934.



H. O. Huth

Pelletier R. I. Secretary

Joseph A. Pelletier, formerly general adjuster, has been elected secretary of Rhode Island.

Seeks Right to Merge

East & West of New Haven, Conn., member of the Security group, has a bill pending in the Connecticut legislature to amend its charter so as to give it authority to merge with other companies. Companies under state charters already have merger rights, but the right is not always included in special charters, such as East & West holds. No merger is contemplated at the present time, a company spokesman said.

NEW YORK

BROKERS NEW HEADQUARTERS

National Assn. of Insurance Brokers has opened new offices on the 7th floor at 79 John street, New York. Out-of-town visitors will be welcomed there, Allen T. Archer, the president says.

TO OFFER REINSURANCE COURSE

A 14-week course in reinsurance of all branches except life is being sponsored by the Insurance Society of New York. The course will begin Feb. 25 at 99 John st., with William F. Delaney, Jr., New York reinsurance manager of Fairfield & Ellis, in charge. Mr. Delaney will be assisted by several specialists in specific forms who will lecture on the different phases of the business.

The society predicts that the American reinsurance market will have a healthy expansion in the next few years.

Mutual Agents' Mid-Year Program Is Announced

At the National Assn. of Mutual Insurance Agents mid-year meeting at Miami Beach, March 31-April 2, there will be one theme for each day's session. March 31, the question, "What Can Be Done to Improve the Professional Status of an Agent?" will be discussed by Commissioner Larson of Florida, from the standpoint of agents' qualification laws; also by a business man, mutual agency company executive and mutual agent.

Floyd H. Craft, Greensboro, N. C., will preside April 1, when the question "What Can an Agent Do to Improve the Net Results of His Business?" will be discussed. April 2 Hugh H. Murray, Jr., Raleigh, N. C., will preside, the subject being "How Mutual Dividends May Be Maintained by Better Underwriting."

Write more accident business by subscribing to The Accident & Health Review, \$2 a year, 175 W. Jackson Blvd., Chicago.



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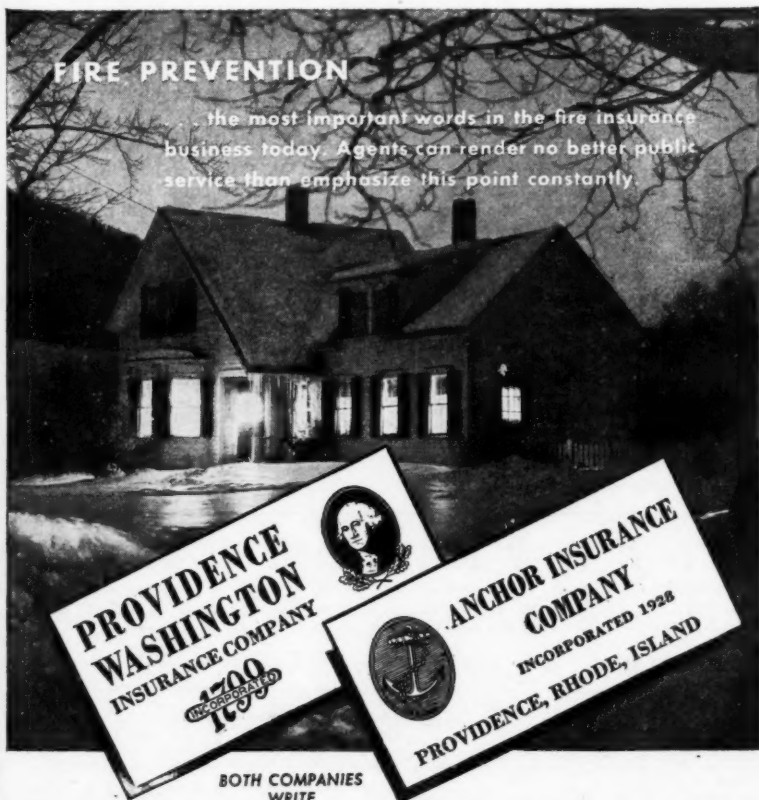


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FIRE PREVENTION

the most important words in the fire insurance business today. Agents can render no better public service than emphasize this point constantly.



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ANCHOR INSURANCE COMPANY
INCORPORATED 1928
PROVIDENCE, RHODE ISLAND

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FIRE, WINDSTORM AND ALLIED LINES • OCEAN AND INLAND MARINE • ALL RISKS
AIR CARGO • AUTOMOBILE, COMPREHENSIVE, FIRE, THEFT AND COLLISION

EDITORIAL COMMENT

Automobile Security Fund Idea

Mr. Dineen's proposed automobile B.I. and P.D. security fund raises some interesting questions. Especially important is the point that Dr. Dineen himself emphasizes that in New York the rates are closely supervised and there is virtually no price competition, but even so it was the close shave of a New York insurer that prompts Mr. Dineen to advance the proposal at this time.

In states in which price and commission competition is intense the ground is not properly paved for such a security fund. A conservative insurer, holding fast to what it believes to be the necessary price and keeping a lid on commissions should certainly not be required to guarantee against loss the policyholders and claimants of a company that is pursuing a highly competitive course as to price or commission or both. This would simply abolish any premium that attaches to conservative management. It would enable the lower rate or higher commission company to say that its contract is just as sound indemnity as that of the tariff institution.

A security fund, it seems to us, has to go hand in hand with a highly uniform rate and commission system, and with rigid supervision. The security fund principle has been here now for several years in the workmen's compensation field, but compensation is a highly regulated line in most places, it is a low commission line, the number of companies writing it is far fewer than auto-

mobile, there is very little of the promotional element in workmen's compensation.

New York is probably only one of a very few states in which an automobile security fund could be introduced without doing the utmost violence to equitable considerations of competition. And even in New York there is the possibility that a company may become insolvent because of practices it pursues in other states.

This situation ties closely in to the matter of rate regulation and also to the new type of financial responsibility law. If we are to have security funds it seems inescapable that we must have the most rigid type of rate regulation and probably even a large measure of commission control. And with the new type of financial responsibility act we couldn't have any important insurance company busts without a public demand for a security fund or even perhaps for a state fund. To enact a security fund law in any state but New York, it seems inevitable, would by force of circumstances compel a more rigid form of rate regulation than even the all-industry bills in their earlier versions would have called for. And on the other hand to fail to enact such a security plan in a state with the New York-New Hampshire type of responsibility act or with compulsory insurance makes the business vulnerable to public wrath in the event of an important receivership.

Why Auto Insurance Rates Have Gone Up

The cost of automobile insurance goes up this week in most states. Insurance men have known that this increase was inevitable and that it didn't come soon enough to avoid the loss of what is conservatively stated to be well over \$150 million to insurance companies in 1946 and to send a few insurers to the brink of insolvency. But even well informed members of the public do not appreciate the bargain in automobile insurance that they have enjoyed since the war's end.

People are used to paying more for commodities and understand why the prices have gone up. Insurance is not a commodity and hence the public may not perceive clearly that the same things that have been sending upward the cost of goods and services require a higher price to be charged for insurance. And the main thing in common is inflation.

Strip away insurance and think of the automobile! What was a lot of car for

\$1,000 in 1941 is now crowding the \$2,000 mark if you can get it and it costs an insurance company \$2,000 to replace the new one for you or for the other fellow if it is wrecked through your fault. But even more important is the increased cost of partial losses because there are so many hundred thousand of that kind. For \$15 before the war you could get a sorry looking fender artistically repaired over night. Today \$75 doesn't buy much in the way of repairs except lengthy hospitalization in the garage.

Simply multiply your own most recent garage experience, if it was only a wash job, by millions and you will get some conception of what the insurance companies have been up against. With the same number of dollars premium per car insured as in 1941 they are paying garage bills at the 1946 rate.

And besides that there is the increased frequency of accidents and the fact that

the same bump that does a certain amount of damage to a new car will do a great deal more damage to a car that is six or seven years old.

That in a nutshell is the explanation of the necessity for the insurance companies to get more income to take care of automobile property damage liability costs.

As to automobile bodily injury liability insurance inflation is still the main answer, aside from increased accident frequency. The person who is killed or seriously injured is likely to be much more of an earner than he was before the war. That means that the cold blooded study of a man's economic value which has to be made to measure the money loss that his death represents to his family or that his disability means to him, produces a much higher figure than it did before the war.

Here again, however, it is not only the death and permanent disability cases that cause insurance companies to pay out more than they take in. The cost of less serious injuries is inflated. Again strip away insurance and think of the hospital, the doctor, the nurse. We

could dig up some figures to show the percentage increase in cost of such services, but that is unnecessary for the benefit of anyone who has had any hospital or medical attention lately.

And here again multiply the increase in your medical-hospital costs by thousands and you see what the insurance companies' dilemma has been.

Also when an injured person is off the job for a few weeks or months his loss and the guide to the proper indemnity for him is greater as an \$80 a week man than as a \$45 man.

The new rates are not designed to recoup for the insurance companies the past losses, that might be compared to inventory losses of a merchant, but only to see that what might be termed new inventory is sold at a price to cover current costs. The insurance companies, by and large, are in splendid shape financially even after the severe underwriting losses of 1946 and the decline in market value of their securities, but their resources are not unlimited and they could not much longer present their customers with a \$150 million bargain annually.

PERSONAL SIDE OF THE BUSINESS

John Rygel, western manager of Hanover Fire, and **Mrs. Rygel**; **W. K. Maxwell** of Lincoln, Ill., retired western manager of the company, and **Mrs. Maxwell** are spending a month in California.

C. H. Strawbridge, Chicago, celebrates this month his 56th year with Liverpool & London & Globe. He was formerly chief accountant of the old western department and more recently has been a broker. His brother was formerly Chicago city manager of Liverpool. Mr. Strawbridge before going with Liverpool was for eight years with William E. Rollo & Son of Chicago, general agents of Girard.

E. V. Mills, controller of Fireman's Fund, and for a number of years active in major civic affairs, has been appointed a member of the San Francisco police commission.

John W. Cook of F. D. Hirschberg & Co., Inc., St. Louis, accompanied by Mrs. Cook left St. Louis Sunday for Miami and will go on to Puerto Rico to spend about a month on that island. Major Cook served in the army in the Spanish war and on this trip he plans to visit some of the historic scenes of that conflict.

Earl E. Vogt, in charge of advertising and sales promotion for Marsh & MacLennan at Chicago, has been named a member of the February grand jury of the criminal court of Cook county.

Charles F. Thomas, Chicago, manager of Western Underwriters Assn., who has been at Mineral Wells, Tex., for some days, has now gone to Dallas where he and Mrs. Thomas will complete their annual sojourn in Texas.

When Mr. Thomas traveled in the state as state agent for Royal, he was widely known as the "king of Texas."

Commissioner McCormack of Tennessee spoke on the weekly network program of the National Board, stating that "90% of the 650,000 fires occurring in the United States last year were traceable to carelessness" and urging that every homeowner "work out your own fire prevention program."

DEATHS

Carlos H. Cameron, local agent at Athens, O., died there.

Innes A. Brown, 56, solicitor for the Booker & Kinnaird agency, Louisville, died there. He was a brother of Owsley Brown and Robinson Brown of Brown-Forman Distillers Corp., and controlled its insurance as a broker.

Robert W. Cole, manager of the fire department of the Tabb, Brockenbrough & Ragland agency, Richmond, Va., died after a brief illness. He had been associated with the agency since 1931 and previously was with the old Walford-Hardwicke agency which discontinued business some years ago.

Charles B. Lichtenstein, local agent for many years at Shoshone, Wyo., died.

Mrs. Sophie Claussen, 69, who succeeded her late husband, Emil, in 1925 as a local agent in Milwaukee, died there.

Paul Weed, for many years head of Weed, Parker & Co., St. Paul, one of the oldest local agencies in Minnesota,

THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO 4, ILL. Telephone Wabash 2704. EDITORIAL DEPT.: C. M. Cartwright, Editor, Levering Cartwright, Managing Editor, News Editor; F. A. Post, Associate Editors; D. R. Schilling, J. C. O'Connor, Assistant Editors; Richard J. Thain, John C. Burridge.

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died at the age of 72. He was the third generation to be identified with the agency which was established in 1864 by his grandfather, Orrin Curtis. After graduating from Princeton, Mr. Weed entered the insurance business as a field man for Orient. Later he joined Weed, Parker & Co. with which he remained until his death. A brother, Ben Weed, is a member of the Weed, Parker firm.

Lawrence F. Kies, 48, local agent of Janesville, Wis., for 14 years until illness forced his retirement several years ago, died at his home.

John F. Knobloch, 74, treasurer of Carolina Mutual of Charleston for more than 30 years, died there.

J. L. T. Danek, agent, died at Glencoe, Minn. He had been in the business 55 years. A son, Otto Danek, former president of the Insurance Federation of Minnesota, now heads the agency.

Robert E. Stone, 68, president and treasurer of the Boston firm bearing his name, died suddenly at his home in Brookline, Mass. He was some time in the real estate and mining business in Chicago and in 1912 went to Boston to enter insurance. He became one of the leading brokers in Boston and was active in the Insurance Brokers Assn. of Massachusetts.

Winthrop D. Bassett, 66, for many years one of the leading insurance brokers of the Cape Cod district in Massachusetts and active in civic and fraternal affairs, died at his home in Hyannis, Mass. He was many years an agent of New England Mutual Life and Sun Life in New Bedford, Mass., and established himself in Hyannis in 1929.

Ralph L. Boldrick, 73, retired local agent at Springfield, Ky., died after a long illness. For a number of years he was in the internal revenue service and later was a member of the McElroy, Wharton & Boldrick agency.

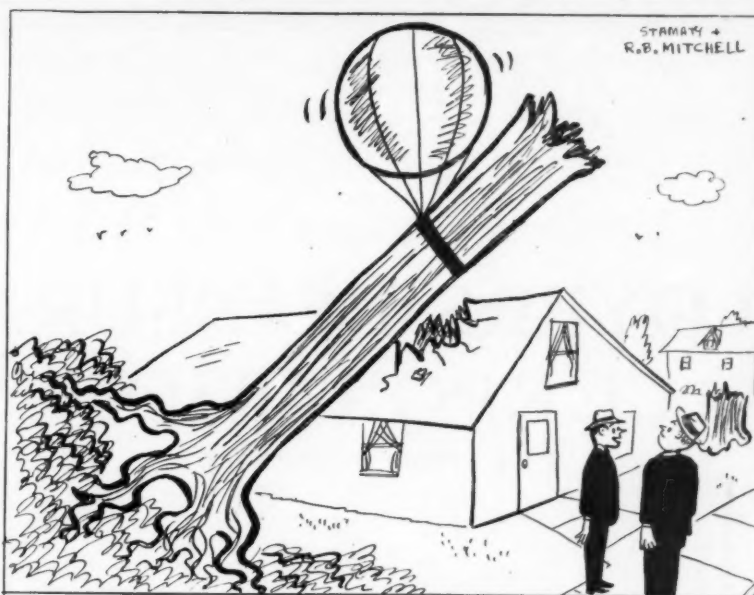
Berge Partner in N. Y., Washington Law Firm

Insurance people are much interested in the news that Wendell Berge has resigned as assistant U. S. Attorney General in charge of the anti-trust division, to become a partner in a Washington and New York law firm to be known as Posner, Berge, Fox & Arent. It was Mr. Berge that handled the case for the government that eventuated in the S.E.U.A. decision. In recent months he has appeared before several insurance gatherings to expound the Department of Justice philosophy on rate regulation and related matters.

Rozzano Heads City Department

D. J. Rozzano has been appointed superintendent of the city department of the Loyalty group in San Francisco. He was formerly in charge of the fire business in the department but now assumes responsibility for all lines. He has been with the group since 1927.

Miss Mary Elizabeth Street and **Jarvis Wolverton Mason**, well known insurance advertising man, were married at Princeton, N. J. Mr. Mason is with the Wilson & Haight advertising agency of Hartford.



"YES- UNDER THE CONTRACT THAT'S ALL WE HAVE TO DO TO THE TREE, BUT WOULDN'T IT BE BETTER PUBLIC RELATIONS TO TAKE IT DOWN?"

Mass. Bill Proposes to Bar Car Makers from Insuring

BOSTON—A lengthy hearing was given by the Massachusetts legislative insurance committee on a bill which would penalize the carrying on of any form of insurance business by automobile manufacturers and their subsidiaries. Attorney Willard A. Ormsbee claimed that it was practically necessary to finance and insure a car through the automobile dealer in order to buy a car. The bill called for a fine of \$1,000 and punishment of a year in jail for the president and treasurer of an automobile company so doing business.

Attorneys Jarvis Hunt for Associated Industries and William F. Bryne for General Motors opposed the bill on the grounds that it is unconstitutional because it applies to only one industry, automobile manufacturers, and specifically to only one concern, General Motors Acceptance Corp. and General Exchange.

Mr. Bryne argued that buyers of cars are not compelled to insure or finance their car with the General Motors subsidiaries; that moreover the actual buyers of cars are not being insured because General Motors is only issuing insurance on cars to which it holds title for the period covered by the finance loans.

He maintained General Motors includes the insurance premium in the finance charge and the insurance charge is at least 25% below that of regular insurance companies. Only fire, theft and collision are covered, applicable only to the owner of the car, which is the finance company during the period of the loan. The service, declared Mr. Bryne, is only in the public interest and a protection for the car manufacturers.

READ 'em and WEEP

A building was insured for \$2,000 with one agent for 27 years. During this time hardwood floors were put down, a new central heating plant installed, and a new store front built. The value of the building rose to \$12,000. A fire brought an \$1,800 loss. The insured, who thought he was fully covered for this amount, recovered \$450. Soon after he bought \$9,600 worth of insurance with another agent.

A factory suffered damage of \$88,900. It was insured for and recovered \$12,161; according to Home, which has made a list of many types of losses, the amount underinsured was \$76,739.

A fire in a home caused \$18,260 damage. Insurance covered only \$12,500. The owner lost \$5,760.

A school, damaged to the amount of \$47,012, was insured for and collected \$38,000, and paid \$9,012 of the loss itself.

A fire ate away \$6,273 worth of a mill which was covered for \$4,356 of the loss and had to absorb a deficit of \$1,917.

A tavern had a blaze which consumed property valued at \$94,721. It was underinsured for \$19,597, recovering \$74,124.

A foundry lost \$45,410 by fire but was covered for and collected only \$40,002 insurance, paying \$5,408 of the bill itself.

A farmhouse fire caused damage of \$10,189, but insurance covered only \$5,500 of the loss and the farmer was out \$4,689.

A fire loss of \$3,539 was incurred by a Y.M.C.A. Because of a shortage of insurance, the Y.M.C.A. stood \$1,092 of the loss, having been reimbursed \$2,447.

Hit New Auto Rates

Deputy Commissioner Harlan Justice of West Virginia has come out with a strongly critical statement about the new and higher automobile liability rates. Calling the rates wholly unjustified, Mr. Justice said that the department had no power to do anything about them. While conceding there has been a "slight increase" in accidents and material damage losses in 1946 because of the postwar traffic increase Mr. Justice said that the companies made enough profit in the five war years to offset these later losses.

Reports of protest by agents also come from Ohio and North Dakota. Foreseeing objections to the new rates the National Bureau took pains to tell the agents of the factors which made the increases necessary. It is the third increase since the end of the war.



REST Assured

Yes! A man can rest assured when his policies are in Pacific National, a company that's known coast to coast for its

- Financial strength
- Conservative management
- Progressive outlook
- Friendliness
- Prompt, fair loss adjustments
- Helpful service to agents

Agents in leading communities



PACIFIC NATIONAL FIRE INSURANCE COMPANY

HOME OFFICE • SAN FRANCISCO
EASTERN DEPARTMENT • PHILADELPHIA
OFFICES IN PRINCIPAL CITIES
COAST TO COAST

1946 MUTUAL FIRE RESULTS

	Adm. Assets	Unearned Prem.	Net Surplus	Net Prem.	Net Losses Paid
Abington Mutual Fire	\$49,254	419,019	392,932	386,674	167,447
Berkshire Mutual Fire	1,640,945	1,008,868	511,504	1,076,445	481,490
Boston Manufacturers Mutual	22,936,288	11,216,700	10,191,181	9,406,470	1,525,663
Grange Mutual Fire, N. H.	351,218	158,849	184,862	135,009	44,975
Implement Dealers Mutual Fire	1,700,672	951,898	589,354	1,252,335	493,948
Iowa Mutual, DeWitt	1,741,990	994,758	583,961	1,142,117	460,057
Lumber Mutual Fire	5,067,313	1,566,354	3,192,112	1,881,803	779,183
New Castle Mutual	766,407	97,270	660,855	85,178	26,976

RECIPROCATALS AND LLOYDS

Affiliated Underwriters	2,167,541	1,009,965	605,419	850,738	502,156
American Exchange Underwriters	1,590,657	333,589	1,095,259	286,150	55,060
Fireproof-Sprinklered Underwriters	380,210	58,748	266,133	38,336	12,096
Individual Underwriters	2,962,534	626,519	2,060,308	557,767	130,949
Metropolitan Inter-Insurers	1,626,057	420,682	1,019,642	373,167	66,395
New York P. & M. Und.	214,167	15,918	50,020	56,859	12,609
N. Y. Reciprocal Underwriters	2,458,217	461,710	1,757,997	406,138	90,518

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Surveys Pin Down Causes for Higher Accident Frequency

Dilapidated Cars, Highway Disrepair, Lack of Respect for Others, Drink

PITTSBURGH—Surveys in different parts of the country totaling more than 100 during 1946 and so far this year, as conducted by the claims bureau of Assn. of Casualty & Surety Executives assign these reasons for the increased automobile accident frequency.

- Dilapidated cars on the highways.
- Highways in a bad state of repair.
- Lack of respect for property rights of others.
- Drunken drivers.

This information was conveyed to those attending Pittsburgh Insurance Day by Robert W. Dick, assistant manager of the claims bureau.

These surveys also agree that the high cost of parts and labor have increased the cost of claims. He said there is little, if any, indication that competition between garages and auto repair shops will return soon.

Medical charges and hospital rates have increased with the latter offset somewhat by the fact that patients are not kept in hospitals as long as formerly because of the congestion there.

Then again, higher verdicts due to the current economic situation, increase the cost. As to workmen's compensation, the claims experience varies according to type and size of risks and with unemployment and reemployment. At a given point one insurer may be enjoying a decrease in compensation claims and at another, suffering an increase.

The Pennsylvania financial responsibility law, effective July 1, he said, will bring about an increase in claims.

With the increase in claims, the public relations aspect of the claim man becomes even more important. This means that he is having more contacts with the public. The claim man reflects his company and its reputation depends to a great extent on how he behaves in his contact with doctors, hospital superintendents, attorneys, court officials, garage owners, workmen's compensation officials.

Although most assured cannot name their insurer, they never forget the name of a company that they feel has dealt unfairly with them. It is up to the claim man at every turn to convince the claimant that his position is fair.

The adjuster must overcome prejudices that have been created in the past such as those created by the handling of small auto P.D. claims. The fact that such prejudice exists is illustrated by the claims that are frequently made for non-existent personal injuries in the hope that this will expedite payment of property damage claims.

Much progress has been made in doing away with delay in settlement of claims where there is an overlapping of coverage.

The nationwide agreement has been placed in effect within the various claim manager councils and most inter-company disputes can be disposed of there with harmony and without adverse publicity. At the end of 1947 there will have been organized 42 such councils.

Mr. Dick urged agents to give a hand to the adjuster when the decision has to be "no" and help convince the claimant that the position of the company is just and fair.

Would Extend Guaranty Idea

Dineen Asks Auto B. I. and P. D. Security Fund

Creation of a security fund which would protect New Yorkers against loss due to the failure of an automobile third party insurer is proposed in a bill introduced in the New York legislature with the support of Superintendent Dineen. The fund would be accumulated out of contributions by automobile insurers at the rate of 2% per annum for three years and 1% thereafter of auto liability premiums written in this state, and would total an estimated \$1½ million at the end of the first year. The maximum limit of the fund is fixed at 15% of New York loss reserves and unearned premiums on such business.

In the event of insolvency of an automobile insurer, the fund would provide for payment in full of B.I. and P.D. claims and would provide either for recovery of unearned premiums or continuation of the policy by way of reinsurance.

Protection to Producer

Mr. Dineen, in a statement, said the fund would maintain the integrity of the insurance contract, and, in addition to protecting policyholders and claimants, would also protect agents and brokers against the financial hardships which result from an insurance company bust.

Mr. Dineen pointed out that between 1931 and 1937, the New York department wound up the affairs of 18 automobile insurance companies, for which allowed claims for all lines of insurance totalled \$18,541,000, and that the average dividend to claimants was only 20%. Such failures, he asserted, produce distressing consequences. Injured persons or their dependents must press claims for death and injury against individuals who are no longer insured, and the policyholder in turn is confronted with claims, lawsuits or judgments against which he has no protection.

"If he has a home or has money or other resources," Mr. Dineen said, "they are subject to levy and attachment. If he is less fortunate in the possession of worldly goods, he is faced with garnishees, instalment payments and other legal procedures.

Responsibility Act Angle

"The failure of any company writing automobile insurance tends to impair public confidence in the efficiency of the financial responsibility law. Furthermore, it tends to destroy public confidence in the institution of insurance. Certainly the citizen who obtains financial irresponsibility under a financial responsibility law has a just grievance."

Referring to the failures, he said many agents and brokers with established reputations represented companies which failed. Many policyholders do not know the name of the company in which they are insured; they rely upon their agent or broker to provide them with sound insurance. Many producers found their policyholders confronted with losses because the insurer was no longer able to meet its obligations. These producers, rather than see their policyholders suffer loss, very often personally paid the ex-

pense of replacing the insurance with other companies and on some occasions went so far as to pay claims which the insurer was unable to meet. "These producers are entitled to protection," he declared.

Says Cost Is Nominal

The cost of this additional protection, he contended, will be nominal, and it will be comparatively simple to make provision for it in the rate structure. The plan is in line with the legislative policy of the state, as reflected in the workmen's compensation security funds established in 1935, the public motor vehicle liability security fund, covering taxicabs, etc., established in 1939, and the life insurance guaranty fund established in 1941, Mr. Dineen argued.

"The legislative policy of this state is enlightened," he said, "designed to minimize the economic shock to the community which inevitably follows the impairment or failure of insurance companies, particularly those whose operations carry them into fields of endeavor intimately related to the general public welfare."

Cites "Recent Experience"

Mr. Dineen cited "a very recent experience of the department in connection with this problem. A New York company found itself in financial difficulties. Fortunately in this particular case its difficulties were solved by additional capital. This company normally wrote a sizable amount of automobile bodily injury and property damage insurance. It insured over 18,000 cars in New York state alone. Its reserves on New York state business for unpaid losses on automobile bodily injury and property damage liability exceeded \$600,000, and the unearned premiums exceeded \$500,000.

"The situation in which this particular company found itself, together with the department's overall study of the security fund problem, gave renewed urgency to the necessity for action. True it is that a satisfactory solution was devised for the problems of this company, but this by no means solves the basic question."

Effect of Inflation

Mr. Dineen said that the inflationary cycle has affected, among other things, the automobile insurance business. One of its consequences was a sharp increase in the average cost per claim. This was particularly true of claims covering damage to automobiles. Since 1943 there has been a continuous increase in loss ratios and this in spite of substantial increases in premium rates charged by the insurers and approved by the department. It has been a difficult task for companies and the department alike to gauge the effect of all the factors involved.

"The problem has been further complicated because as a war-time conservation measure the keeping of statistics on automobile insurance was curtailed. Furthermore, even if full statistics had been maintained, the value of war-time figures in forecasting post-war loss conditions would be limited. At the present time losses in the automobile insurance field are extremely high, with a number of companies operating their automobile departments at a loss. Since rate increases can be applied only to new policies (written on an annual basis), the most recent increases approved by the department have not had time to take full effect. Both the companies and the department are following developments

(CONTINUED ON PAGE 28)

Auto. B. I. Rates Up 25-50%, P. D. Raised 30-66% in 27 States

Being Filed in Other States, Disastrous 1946 Experience Revealed

The increase in automobile liability insurance rates, put into effect in all "open" states this week by the National Bureau of Casualty & Surety Underwriters puts premiums above the 1941 level, but, the bureau maintains, the increase is still less than the jump in claim costs and only an improvement in the accident record during 1947 will prevent still further increases. It is generally understood that similar increases in automobile fire coverages, particularly collision, will be put in force soon.

The rate increases were no surprise to insurance men, since the disastrous experience of 1946 is well known. The new rates became effective in 27 states, District of Columbia and Hawaii Monday of this week. Similar increases have been filed for approval in the regulated states.

Details of Increases

The bodily injury increase runs uniformly around 25% for private passenger cars, except in California, Wisconsin, Wyoming and Vermont, where they are higher. In San Francisco, for example, the bodily injury liability increase is 36% and in Milwaukee it is 53%. The bureau stated that the rate level is now about 10% above that of 1941, except for those four states.

Although the property damage liability increase was announced as 30% for private passenger cars and 40% for trucks, a spot check of rates in eight large cities shows that the increase for private passenger cars runs about 50% in most cases and over 60% in a few.

Examples by Cities

The actual figures for eight states, taking class A-1 cars and showing first the 1946 bodily injury liability and property damage liability rates and then the 1947 charges, are as follows:

- Detroit: \$12 and \$7.50; \$15 and \$12.50.
- Cincinnati: \$11 and \$6; \$14 and \$10.50.
- Philadelphia: \$20 and \$6; \$30 and \$15.
- Louisville: \$15 and \$7; \$19 and \$11.50.
- San Francisco: \$19 and \$9; \$26 and \$15.
- Washington: \$15 and \$8; \$19 and \$13.
- St. Louis: \$23 and \$7; \$32 and \$31.50.
- Milwaukee: \$15 and \$8; \$23 and \$13.

States Affected

The new rates are in force in the following states: Arizona, Arkansas, California, Colorado, Delaware, Georgia, Idaho, Iowa, Kentucky, Maine, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Ohio, Pennsylvania, Rhode Island, South Carolina, Utah, Vermont, West Virginia, Wisconsin, Wyoming, District of Columbia and Alaska.

In a statement explaining the increases, the bureau pointed out that the double factors of increased claim frequency and higher cost of claims had made the situation progressively worse as 1946 went along. The average cost settlement of bodily injury claims is up 30% over 1941 and property damage claims 80%. Automobile registrations are only 2% under the all-time high of 1941, indicating the large number of old and unsafe cars on the road, while the Public Roads Administration estimates

(CONTINUED ON PAGE 28)

Reprints Available of Auto Rate Editorial

Reprints are available of the editorial on page 14, "Why Automobile Insurance Rates Have Gone Up." They are on a 9x11 sheet, suitable for mailing. Prices for quantity orders: \$2.75 per 100; \$4.25 per 250; \$7 per 500; \$9.25 per 1,000; \$18 per 2,000; \$26 per 3,000; \$33 per 4,000, and \$39 per 5,000.

C. R. Sweet Pittsburgh Speaker

Tells How Buyer Should Appraise Fidelity Needs

PITTSBURGH — The necessity for fidelity bond coverage should be presented on the basis of not how remote the possibility or loss may be, but how large a loss could be developed before discovery, and whether such a loss could be borne by the business without any fidelity protection.

This message was given at one of the group sessions during Pittsburgh Insurance Day by C. R. Sweet, manager of the special risk department of Ocean Accident. Most businesses, and certainly the smaller ones, need protection against employee dishonesty just as much as they need fire and liability insurance.

Faith May Be Jolted

An employer will insist that all of his employees who handle money have been with him for years, that they are trusted and would not possibly yield to temptation. However, he is taking a long chance and his faith in human nature may receive a severe jolt if he finds that an employee has succumbed to the temptation and caused a major financial loss. Then, too, it is not always the employees who handle money who may be able to cause a loss. Merchandise may be disposed of readily these days and a large loss may be perpetrated by one or several employees working in collusion.

The turnover in employment that has occurred in most businesses tends to increase the chances of hiring dishonest employees.

Many white collar workers today are discontented and are possessed by uneasiness because they have not shared in the substantial increase in wages received by the organized worker.

Many such employees who have become accustomed to a certain standard of living, today find they cannot make ends meet and still maintain that standard. No one can tell when temptation may be stronger than their moral fibre can withstand.

Cites Object Lessons

Mr. Sweet cited a number of object lessons. For instance, the cashier of a meat packer's branch office who pocketed moneys received on collections and covered this up by transferring funds from the employees' sick benefit association of which he was treasurer. He created a deficit of \$10,000 against fidelity coverage of \$5,000.

A paymaster, in preparing payroll checks which were signed by impressing the signature stamp of officers on them, in about a year negotiated about \$25,000 of checks made payable to former employees. He personally presented them at the bank for payment on the pretext that the payees were too busy and had asked him to cash the checks in their behalf. The loss was about \$20,000 and the fidelity coverage was \$5,000.

There was the bookkeeper who caused a loss of \$30,000 against a bond coverage of \$5,000. Her employer had an interest in three hotels and she was assigned to keep a separate set of books and bank accounts for each. She would transfer funds from one account to another to make up deficits and report incorrect bank balances.

A department store employee who was thoroughly trusted, would mark accounts as uncollectible and they would be removed from the active file, on her

say so. However, she was actually making collections on many such accounts for her own use. Her embezzlements totaled \$15,000 and she was covered for only \$10,000.

Mr. Sweet mentioned the recent Mergenthaler loss of \$800,000 against a fidelity bond of \$5,000. He also mentioned the loss at Newcastle, Pa., totaling \$220,000 where there was no fidelity insurance.

Employers Mutual Continues Growth

Employers Mutual Casualty of Des Moines had further substantial growth in 1946, with written premium volume exceeding \$9 million, a 43% gain over the 1945 figure of close to \$6½ million, which in itself was \$1½ million in excess of the 1944 premiums.

The assets increased \$1,800,838 in the year to a total of \$10,955,030. This was a gain of 19.6%, compared to the 17% increase in assets in 1945. Surplus and contingencies reserve increased to \$2,123,908.

The underwriting profit last year was \$193,178, and investment gain \$218,943, or a total of \$412,121 combined gain from underwriting and investments. Dividends to policyholders and federal income taxes absorbed the major portion of these gains.

Cash Position Improves

The assets included cash in banks \$1,346,376, a gain of about \$289,000; bonds \$7,934,093, increase over \$1 million; stocks \$56,770; premiums in collection \$1,320,686; real estate (home office building) \$117,993; real estate mortgages \$149,391.

Reserves included: Claims \$4,492,995, increase \$709,212; unearned premiums \$3,450,926, increase \$943,306; taxes \$302,243, gain \$93,488; all other reserves

(for commissions, dividends, etc.) \$584,956, increase \$53,757. The reserves aggregated \$8,831,121, compared to \$7,031,358 in 1945, or a gain of \$1,799,763 in the year. Reserve for contingencies, which is not included in that total, is \$300,000.

Employers Mutual operates exclusively on the agency plan, doing a multiple line business in 23 states. It was founded in 1911, has had a steady, conservative growth and for a number of years has occupied its own ultra-modern home office building in Des Moines.

Official Staff

J. W. Gunn is president, John F. Hynes, vice-president and secretary; H. A. Watson, assistant secretary-treasurer; M. J. Wilkinson, superintendent of agencies.

Branch offices are maintained in Chicago, Omaha, Minneapolis, Wichita, Philadelphia, Denver, Lansing, Mich.; Charlotte, N. C.; Jackson, Miss.; Dallas, Tex., and Kansas City, Mo.

Claim Assn. Names Committee Heads

Edward J. Bohne, Equitable Society, has been named chairman of the newly organized public relations committee of International Claim Assn. Other committee chairmen are:

Program, John Blanchfield, Aetna Life; legal, Elmer Carl, Employers Reinsurance; transportation, F. X. Reilly, Guardian Life; auditing, H. G. Hewitt, California-Western States Life; reception, T. L. Anderson, Federal Life; entertainment, John W. Ayer, New England Mutual Life; group, Ralph T. Heller, Prudential; forms exhibit, R. Vaughan White, Continental American Life; medical conference, A. G. Fankhauser, Continental Casualty; lay adjusters, H. S. Don Carlos, Travelers; claims, standard, life sub-committee and physician's reports sub-committee, Lee Wilkes, Lincoln National Life; and foreign investigations, W. W. Rehn, Provident Mutual Life.

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Reiter Continues to Seek Exaction from Palmer

Persisting in his 14 year campaign to get exaction from Ernest Palmer, former Illinois insurance director, T. H. Reiter has filed a petition for rehearing with the Illinois supreme court in the case in which he won judgment against Claude H. Barr, now of California, and Arthur M. Fitzgerald of Springfield, Ill., but in which Mr. Palmer was cleared.

Reiter was deposed as president of Illinois National Casualty in 1933 and his stock was acquired by Barr and Fitzgerald in what the Illinois supreme court held to be a conspiracy aided by subordinates in the insurance department. However, the supreme court said that Mr. Palmer derived no personal gain from this and found that he did not know what his subordinates were up to.

Emergency Statute

In the petition, John Brown of Chicago, Reiter's attorney, contended that the supreme court erred in not considering the constitutionality of the act of 1933 under which Palmer acted in appointing Barr (who had been vice-president of the company) as conservator of Illinois National. This act authorizes the insurance director by direction and approval of the governor to "adopt and promulgate rules and regulations affecting the control of insurance companies, and declaring an emergency."

The supreme court said it was not required to consider the validity of that act. Even though Mr. Palmer was not authorized to appoint the conservator he acted with the approval of the governor and purported to act under the authority of the law.

The petition, on the other hand, argues that Mr. Palmer was not empowered to act "under pretended granted powers."

Resort to Judicial Branch

Provision for appointment of a conservator was not contained in the law, the petition states, and such appointment without any judicial proceeding was contrary to the constitution. Mr. Palmer's sole authority and duty, it was contended, under the insurance statute was resort to the judicial branch.

Barr and Fitzgerald, according to the petition, could not have accomplished their purpose without the cooperation of Palmer in taking unwarranted action.

The petition cites numerous facts that are alleged to indicate that Mr. Palmer was the "king pin" in the proceedings rather than being imposed upon by his subordinates.

"The human element is," the petition says, "that no assistant of a public official who had been in office but a few months would have had the audacity or effrontery to make these decisions without Palmer's knowledge, approval, authority and direction."

Allowed Barr to Remain

The fact is emphasized that Mr. Palmer allowed Barr to remain as president of Illinois National long after Reiter brought his complaint setting forth in detail "the frauds, duress, and coercion of the transactions."

Also the petition says that Palmer repeatedly denied Reiter a broker's license without a hearing all the time he was in office, thus indicating that his actions were not in good faith.

The petition concludes that Palmer pursued dilatory tactics for 14 years to delay bringing to justice his employees "if they were to blame as found by this court" and said court should take into consideration his "silence in this investigation by not assisting by giving his testimony as to the blame of said assistants."

Full Cover Auto. Bill in New York

NEW YORK—At the instance of the New York insurance department, a bill has been introduced in the legislature to permit casualty companies to write full coverage automobile insurance. If enacted, this measure will not only permit casualty companies admitted here to add the auto lines now written by fire companies exclusively but will open the way for the entry of many

full-coverage automobile companies hitherto barred because New York's Appleton rule permits no company to write coverages outside the state that it is prohibited from writing within the state.

It is understood that Risk Research Institute, insurance buyers' organization, will sponsor a bill to go even further, and permit fire companies to write auto liability lines as well as allowing casualty companies to write auto fire, theft and collision. The organization is also said to be seeking legislation legalizing full-coverage aircraft insurance and a law permitting a fire or casualty com-

pany to write all risks abroad except life insurance and annuities.

Reciprocal to Write Disability

LOS ANGELES — United Insurers, a Denver reciprocal, with United Service Corp., a California corporation, as attorney-in-fact, has been authorized to write disability insurance in California. It previously had been licensed for other casualty lines.

It is believed to be the first reciprocal licensed in the state to write disability insurance. Whether it can qualify under the UCD act is of interest.

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Blame Lack of Manpower for Air Cover Difficulty

One of the prominent aviation underwriters who has an overall conception of the field, in answer to an inquiry as to the main factors responsible for the unsatisfactory results, voiced the opinion that it is lack of manpower with which to make inspections and develop information on which to make intelligent un-

derwriting decisions, and also to the lack of specialty adjusters, representing exclusively the individual insurer or pool.

Frequently, he said, when a flyer reports his first accident, the ensuing investigation discloses information about him that would have kept the underwriter from taking on the risk in the first instance. The insurers and the pools, he believes, simply do not have the information and have not had the means of getting it on which to make intelligent selection. He feels that the individual companies are more handicapped in this respect than are the pools, but the latter are far shy of the

manpower that they should have.

Then as to adjustments, he feels that the ordinary adjuster who is not well versed in aviation activities, is very often imposed upon by repair shops and is not well enough posted to bargain astutely. For instance, he cited a recent case in which the insurer was billed for so many hours labor for repairing the empennage, so many hours for working on the tail group and so many hours for working on the rudder and horizontal stabilizer. All of these

are the same thing, he explains, and he surmises that the repair shop saw that the adjuster was not familiar with airplane construction and assumed that the underwriter was no better informed.

Also he expressed the belief that if an aviation insurer had a crew of its own special adjusters, various repair shops around the country would realize that by accommodating these adjusters and making a reputation with them, they would be developing a steady source of business in the future.

Path to Continued State Rule Is Arduous but Worthwhile, McFall Says

PITTSBURGH—The Pittsburgh Insurance Day session devoted to consideration of public law 15 legislation drew an especially large turnout, the speaker being John M. McFall, vice-president and chief attorney of U. S. F. & G., who is one of the foremost exponents of the all-industry bill.

Mr. McFall said that insurance is faced at this point with a choice of taking the beaten track which other great industries affected with a public interest and operating across state lines have traveled and that leads straight to federal regulation or to take the arduous path to state regulation.

Cites Other Industries

Commencing with railroads in 1887 and ending with water carriers in 1940, Mr. McFall cited with dates, regulatory acts passed by Congress affecting 14 industries. He said this shows that if a business, affected with a public interest, becomes large and engages in interstate commerce, its ultimate fate is federal regulation. The question is whether insurance can escape this fate, he said.

Federal regulation may result from disunity, Mr. McFall declared, saying that the securities act of 1933 was an example of that and today the securities business is subject to rigid federal regulations superimposed upon extensive state regulation.

"Public law 15 is not a quitclaim of federal control of insurance," he said. "It is not self-executing. It is revocable at will. It is an assertion and exercise of the power of Congress."

Insulation Is Required

Modern insurance, Mr. McFall contended, cannot operate effectively under the impact of laws that prohibit insurers from engaging in joint scientific rate making. If the federal anti-trust act makes such action unlawful it unlocks the door to open rate competition. The federal anti-trust laws compel the very type of competition that has proved ruinous to insurance in the past and which the states have abandoned as impractical for insurance, he asserted. Insurance must be insulated from the federal anti-trust laws if it is to operate effectively.

With close documentation, Mr. McFall said that various pronouncements of congressional leaders, Department of Justice and others indicate beyond question that the federal government will not be satisfied with anything less than effective and affirmative state regulation. The all-industry bills, he said, embody such regulation. They represent, he contended, the pattern of rate regulation necessary to preserve state supervision.

All agree that the model bills will be satisfactory beyond question to the Supreme Court and to Congress under public law 15. He said that the enemies of

Richard E. Vernor, Western Actuarial Bureau, Chicago, was the featured speaker at the annual meeting of Louisville Safety Council Tuesday evening. "Light from a Diamond" was his topic.

Alpha H. Kenna of Topeka, manager and educational director of the Kansas Assn. of Insurance Agents, March 1 will attend the wedding in Chicago of his daughter Laura Marie (Jeanne MacKenna of N. B. C.) and will visit several insurance leaders and offices there.

the bills are urging the business "for the sake of short-sighted expediency to run the risk of halfway measures. Why gamble with the future by passing less adequate rating laws?" Token legislation will inevitably lead to federal regulation, he predicted.

Mr. McFall urged his listeners to avert the "destructive potentiality of federal control."

Questioning of Jury Panel on Insurance Causes Reversal in Ky. High Court

On the ground that plaintiff's attorneys were out of order in asking three separate jury prospects on three different occasions, each time in the presence of the entire panel, questions which definitely mentioned automobile liability insurance, the Kentucky court of appeals has reversed the decision of the lower court in Ewing-Von Aldmen Dairy Co. vs. Fred Godwin and Bessie Godwin and sent it back for further proceedings.

Fred Godwin had recovered a judgment of \$3,653 and Bessie Godwin got \$4,000.

The court observed that where plaintiff's attorney knows that the defendant is insured and that a member of the jury panel is interested in the defendant's insurer, his questions to prospective jurors in voir dire examination on the insurance subject may be considered proper. Such questions then may be regarded as a valid method of elucidating the truth.

Good Faith Lacking

In this case, however, plaintiff's attorneys do not claim to have had any such information. Hence there is an absence of evidence of the good faith element which is so necessary as a justification for the voir dire questions that were propounded.

There is no possibility that the questions were asked inadvertently. The emphasis and reemphasis of the dairy company's insurance constituted an unfair factor in the trial.

Although no one can say whether the outcome of the trial was influenced by the insurance questions, the court declared the Godwins were treated liberally. Neither of them had any broken bones nor any treatment beyond first aid. The evidence showing any permanent impairment to either of them is somewhat meager.

Doolan, Helm, Stites & Wood of Louisville represented the dairy company while the Godwins' counsel was William S. Heidenberg, Roscoe C. Searcy, also of Louisville.

Owosso Agents Elect

OWOSSO, MICH.—The Shiawassee County Assn. of Insurance Agents has elected these officers: President, James W. Hahn, Cadwallader-Lord-Hahn Co.; vice-president, Cecil O. Reynolds, Owosso Insurance Agency; secretary,



Teamwork That Scores

Local Agents want to score with Insurance sales . . . and with the HAWKEYE-SECURITY FIRE team behind them, Agents have a complete Casualty package with hard-hitting sales appeal. HAWKEYE-SECURITY FIRE Fieldmen work with Agents . . . are available for surveys . . . are ready to help Agents in any way. HAWKEYE-SECURITY FIRE offers Complete Casualty Coverage plus Full Fire Coverage.

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COMPENSATION

U. S. Employees' Compensation Unit Sings Swan Song

WASHINGTON—U. S. Employees' Compensation Commission sings its swan song in its report for the fiscal year ended June 30, 1946. It was a victim of President Truman's reorganization plan No. 2 and its work is now in charge of federal security agency.

During its 30 years the commission, the report states, with an average of 320 employees, serviced nearly 5,400,000 cases involving injury or death of employees in public and certain private employment. Benefits paid aggregated \$191,457,000 and the commission supervised and audited payment of nearly \$100 million by private employers and their insurers in injury cases arising in private employment covered by federal workmen's compensation laws.

The commission states that at all times the number of cases pending action was kept to a minimum and claimants were assured of timely medical care and adequate compensation payments. It says it is proud of its record of handling of injury cases involving emergency relief workers totaling 4 million during the depression years, and with its record in handling overseas workers during the war. Operating costs over the 30 years did not average 6½% of compensation payments.

Brokers Urge Opposition

San Francisco brokers are calling on their compensation clients to strongly oppose a measure now before the legislature which would wipe out the present protection the employer has if a company fails to pay any award in whole or in part. This bill provides that in such an event the industrial accident commission may make a separate award against the employer.

Three Bills OK'd in Minn.

Three non-controversial bills have been reported out by the Minnesota senate compensation insurance committee. One eliminates schedule rating, a second turns the licensing of the compensation rating bureau over to the compensation insurance board, taking it away from the insurance department, and the third allows the reopening of compensation awards after a judgment has been entered in district court. Insurance companies do not particularly like this bill as it probably will cost them money in some cases. The compensation committee will resume hearings Feb. 21.

CHANGES

Cain Detroit Manager for American Casualty

American Casualty has promoted Ralph Cain to resident manager of the Detroit branch. For two years he has been manager at Charleston, W. Va.

Mr. Cain entered the insurance business over 20 years ago and has had wide experience in all phases of field and branch office work. The major part of his career, from 1935 to 1943, was spent in Pittsburgh as special agent and later assistant branch manager of Ohio Casualty.

Five Travelers Changes

Changes in Travelers Casualty department include promotion of Alden L. Lancaster, field assistant at Houston, to assistant manager of that office.

J. Frank Pugh, Jr., field assistant, has moved from Waycross, Ga., to Atlanta,

and George L. Lilley, field assistant, from Chicago to Evanston.

Robert W. Brown of Wichita has been appointed field assistant and will be assigned upon completion of the training school.

Wolverine in Loop Office

The Chicago branch office of Wolverine is now installed in the loop at 111 West Jackson boulevard. The office has been at 6459 Sheridan road. Charles J. Beck has been resident manager for the past year. Before that he was nine years with Illinois National Casualty,

most recently as assistant secretary. The office services Chicago and northern Illinois.

Allstate Names Mereness Manager at Newark

Another move in the decentralization of Allstate is the appointment of Henry M. Mereness as resident manager at Newark. This brings to nine the number of branch offices carrying on sales, underwriting, policy issuance and claims activities.

One of the earliest employees of Allstate, Mr. Mereness has for seven years

been working on the branch office program at the home office. He was educated at Crane College and Northwestern University.

Stone with West Agency

Dean Stone has resigned as casualty department manager of National Surety at Denver, to become vice-president and a director of the Rex West agency there.

Saxton to Los Angeles

James E. Saxton, formerly manager of the claims division of Maryland Cas-

It's tough to sell a salesman!

But as to bonding service, the F&D has a convincing message: it handles a larger combined volume of fidelity and surety business than any other company in the industry. Some of the reasons for this dominant position are:

1 KNOW-HOW

The F&D has specialized in the underwriting of fidelity and surety bonds since 1890. During these 57 years, it has amassed a body of experience that enables it to handle any bonding proposition swiftly and decisively.

2 ON-THE-SPOT SERVICE

46 strategically-located and expertly-staffed field offices bring the F&D's unrivalled underwriting and claims facilities within easy reach of agents and brokers in all parts of the country.

3 PROVED RELIABILITY

Never having failed to meet its obligations promptly and fully, in boom times and bad, the F&D enjoys a reputation for reliability that is a business-getting asset of real value to its field force.

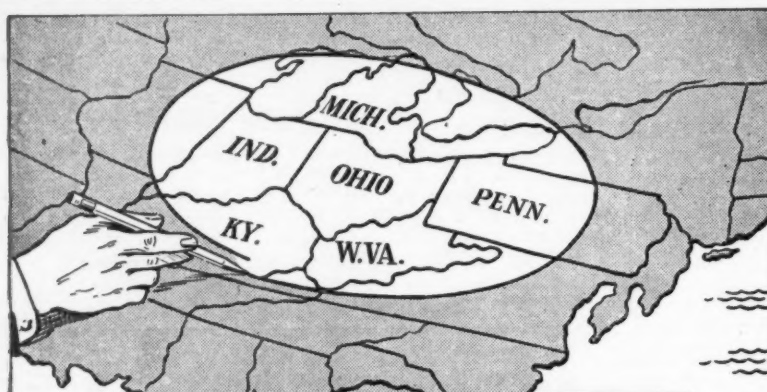


This, in brief, is the combination that is daily winning new friends for the F&D and influencing prospects in the direction of its representatives.

FIDELITY AND DEPOSIT COMPANY
Baltimore Maryland

FIDELITY AND SURETY BONDS
BURGLARY, AND OTHER NEEDED
FORMS OF INSURANCE

WITH WHICH IS AFFILIATED THE AMERICAN BONDING COMPANY OF BALTIMORE




SALES HELPS that really help sell

Planned promotions on every type of casualty insurance makes a well rounded sales program easy for Buckeye Union agents. Personal contacts help build local reputations and up-to-date sales helps get new business. Your inquiry will also receive individual attention.

**AUTOMOBILE
PLATE GLASS
GENERAL LIABILITY
BURGLARY**

A STOCK COMPANY



THE BUCKEYE UNION CASUALTY CO.
HOME OFFICE COLUMBUS 16, OHIO
SERVING THE 6 STATES OF THE BUCKEYE UNION

USE YOUR OWN COMPANIES WHEN POSSIBLE

Otherwise Let Us Help You with Your Unusual or Difficult Problems—



Lloyd's London

R. B. Jones & Sons Inc.

C. REID CLOON, Manager

175 W. JACKSON BLVD.

CHICAGO 4, ILL.

ualty at Cleveland, has been transferred to Los Angeles in a similar capacity. He succeeds C. A. Thompson, who resigned after nearly eight years with the office, and who has not yet announced his plans. Mr. Saxton has been with Maryland 25 years.

Cammack Now Director

E. E. Cammack, vice-president and actuary of Aetna Life, has been elected a director of Aetna Life, Aetna Casualty and Automobile, taking the place left vacant by the resignation of W. E. A. Bulkeley.

Nels M. Valerius has been appointed assistant actuary of Aetna Casualty.

Crane New Haven Cashier

A. H. Crane, formerly assistant cashier at the 42nd street branch of Travelers at New York has been appointed cashier at New Haven. He succeeds W. G. Eshenour, who becomes Detroit cashier.

Donald Brown Asst. Superintendent

Donald Brown has been appointed assistant superintendent of casualty business in the San Francisco office of Massachusetts Bonding. He was with the National Automobile & Casualty for the past year after returning from six years' service in the army with the rank of lieutenant colonel.

Brown to Detroit for F. & D. to Succeed Bortz

Baxter C. Brown, formerly resident vice-president at Albany, N. Y., for Fidelity & Deposit, has been appointed to the same position in Detroit to succeed George L. Bortz, who has resigned to join the Detroit construction firm of Darin & Armstrong as assistant to the manager.

Mr. Brown has been with F. & D. for 20 years and before going to Albany was manager at Buffalo, Omaha and Kansas City. He had been in Albany for three years, covering upstate New York and Connecticut.

Mr. Bortz has been with F. & D. since 1925.

Allyn J. Crooker and C. A. Keith continue in Detroit as manager and assistant manager respectively.

Murdock Coast Manager

George Murdock has been appointed manager of the casualty department of American Casualty in its Pacific Coast office in San Francisco. He has had an extended company career and in 1945 established an inspection and audit service. Last year he returned to company activity with New Amsterdam Casualty in San Francisco.

ACCIDENT AND HEALTH

Finds Limitation Less Limited Than Insurer Thinks

An office building is no less an office building because it contains living quarters, Kansas City court of appeals decided in holding that National Protective was not entitled to deny liability for the fatal burning of an assured in such a structure under a policy insuring against death in a burning office building.

Mrs. Anna L. Havner was the assured. She lost her life in the burning of the First National Bank building at Gallatin, Mo., May 3, 1945. The bank occupied the first floor. Mrs. Havner and her sister ran an insurance agency in quarters on the second floor and in other quarters on the same floor they resided. There were other tenants that lived on the second floor.

National Protective argued that the bank building was not so dominantly used for offices as to constitute an "office building." However, the court held that the insurer is not entitled to any restricted meaning of the term "office building" and the court is entitled to accord it a liberal construction in favor of the assured. If the company intended to exclude an office building occupied in part for living quarters, it should have said so in apt words that would leave no doubt as to the meaning intended.

The case was Pritchard et al. vs. National Protective. Attorneys for National Protective were Charles D. Brandon, Gallatin; James P. Aylward, George V. Aylward, Terrance M. O'Brien, Kansas City, while attorney for the beneficiaries was Sam T. Evans of Gallatin.

Drum Administers Iowa Plan

DES MOINES—Warren W. Drum, executive of Blue Cross at Peoria, Ill., has been appointed administrative assistant of Hospital Service of Iowa, which sponsors Blue Cross. A graduate of University of Iowa, he formerly was acting director of Hospital Service Assn. of Montana and in charge of the Blue Cross branch at Burlington, Ia.

Uniformity Needed in A. & H Regulation, Follmann Declares

Speaking on "Legislative and Regulatory Trends Affecting Accident and Health Insurance" in the educational forum at Pittsburgh Insurance Day, J. F. Follmann, Jr., manager Bureau of Personal Accident & Health Underwriters, said there is a steady increase in both legislative and administrative regulation affecting that business, but that, in view of the general trend of the times, there is nothing either peculiar or alarming about this. There are two points, however, about which he expressed some concern. One is the trend for administrative regulation, while in principle following the legislative trend, to go beyond it, with the possible result of retarding the present phenomenal growth in development of the business, and with no commensurate benefit to the insurance public. The other is the possible lack of uniformity in both legislative and administrative regulation.

General Pattern Followed

The general pattern has been a gradual extension of authority to guarantee financial solidarity of insurers, protect policyholders from unconscionable practices, keep regulation abreast of and not deterring developments within the industry, continuing supervision of insurance at the state level and providing for minimum protection to a larger segment of the population.

He declared that it is of utmost importance that both legislative and administrative regulation be based on an established uniform pattern. Accident and health insurance does not stop at state borders. There is no justification for making a requirement in one state which is prohibited in another. Such nuisance regulation, he said, is expensive from every angle. He urged that both administrators and legislators work in close cooperation with the National Assn. of Insurance Commissioners, "which body has very admirably studied and solved many problems on a recommended uniform basis, rather than looking upon their own in-

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Mr. Follmann declared that no way has yet been found to regulate the morals, ethics or sincerity of purpose of a man. Admittedly, in accident and health insurance as in any business, there is a bare minority whose sincerity of purpose toward the public is subject to some question, but to place a great burden on an entire industry when only a few are the subject of concern, and then to fail completely in the accomplishment of that purpose, is simply not good government.

In connection with compulsory health insurance plans, he said that before any such legislation is considered, an effort should be made to determine to what extent protection is now granted by private insurers and how much that protection might reasonably be expected to increase in the future. Only to the extent that private insurance cannot satisfy the public or social demands should legislative action be considered, he said.

V. D. Cliff Chairman, Son Heads Federal L. & C.

Vincent D. Cliff, founder and president of Federal Life & Casualty, who in



FRANK V. CLIFF

December observed his 80th birthday and the 40th anniversary of the company, has been elected chairman and is succeeded as president by his son, Frank V. Cliff, who has been executive vice-president. Mrs. Ethel Hunter Billingsley, formerly office manager, has been elected secretary.

V. D. Cliff has been active in the accident and health field for more than 50 years and was one of the founders of the old Detroit Conference, now the Health & Accident Underwriters Conference. Frank Cliff has been active in the management of the company for a number of years and also has been prominent in the H. & A. Conference.

Newark Meeting March 11

The Accident & Health Underwriters Assn. of Newark will hold a luncheon meeting March 11.

Changes Capital Structure

Standard Life & Accident of Oklahoma City has increased its capital \$23,162 to \$100,000, divided into 142,857 shares of 70 cents par value.

Solution Sought to A.&H. Exam Failures

NEW YORK—Concerned with the large number of applicants who fail examinations for accident and health licenses, representatives of the New York City Accident & Health Club, the Insurance Society and the superintendent's advisory committee are meeting with Carl P. Typermass, deputy superintendent of insurance, to discuss plans for promoting courses in A. & H. before each of the eight examinations this year. The course will probably cost \$15.

All those who have taken such courses given in the past have passed an examination at the first try, but too few students have been enrolled to affect the proportion of failures very much. The solution is considered by A. & H. people to be primarily promotional, a matter of encouraging the right man to take a course and come up for an examination.

2,056 Disability Plans Approved in California

SAN FRANCISCO—There were 2,056 approved groups in operation in the first two months of the new California unemployment disability law, which became effective Dec. 1. These plans cover 375,514 employees, according to T. H. Mugford, vice-chairman of the state employment stabilization commission. He said that the number of voluntary plans, underwritten by about 25 private carriers, was far beyond the commission's expectations.

Breidenbaugh Utah Speaker

SALT LAKE CITY—O. J. Breidenbaugh, executive secretary of the National Assn. of Accident & Health Underwriters, who is here conducting a two-weeks A. & H. course at the University of Utah, spoke at the February meeting of the Utah A. & H. Club. He was introduced by A. Harry Good, chairman of the education committee.

He said accident-health salesmen should get the spirit of the commodity they have to offer, and what it can and will do for the buyer. "Accident and health insurance puts bread and butter on the table, at a time when the breadwinner of the family is unable to do so because of incapacity from accidental injuries or sickness," he said. "It is a social movement which provides income protection, not charity."

Four-Way Medical Policy

The "blanket four-way protection" medical policy of American Progressive Health of New York provides a \$500 lump sum aggregate indemnity for any one disability, accident or illness. Except for the first \$15, it pays up to \$200 for hospital, including routine care, operating room, x-rays, laboratory, medicines, dressings and ambulance; \$150 for medical and surgical treatment in or out of hospital, \$100 for nurse in or out of hospital and \$50 for medicines, x-rays and appliances, not in hospital.

It is offered to men only, ages 16-65. For ages 16-50, the annual premium is \$41 and renewal \$39.

Conference Backs Taft Bill

The Health & Accident Underwriters Conference has placed itself squarely behind the Taft-Ball-Smith bill in the U. S. Senate proposing to set up a practical plan of providing for medical and

dental research, grants-in-aid for general medical service for families and individuals with low income, and other commendable features. Harold R. Gordon, conference managing director, says:

"We strongly approve and endorse this bill as a practical solution for the improvement of medical care in this country. Certainly it should be approved by every insurance executive who has studied medical care problems and who is conversant with the practicability of what is proposed in this bill as compared with bills of the Wagner-Murray-Dingell type."

To Vote on Union Representation

WASHINGTON—Direction of an election has been ordered by the National Labor Relations Board, to be held within 30 days among all industrial and ordinary agents of district offices of Kentucky Central Life & Accident in Ohio, to determine whether they desire

to be represented by Industrial & Ordinary Insurance Agents Union, local 23390, or Industrial & Ordinary Agents Council, both of the A. F. of L., for collective bargaining.

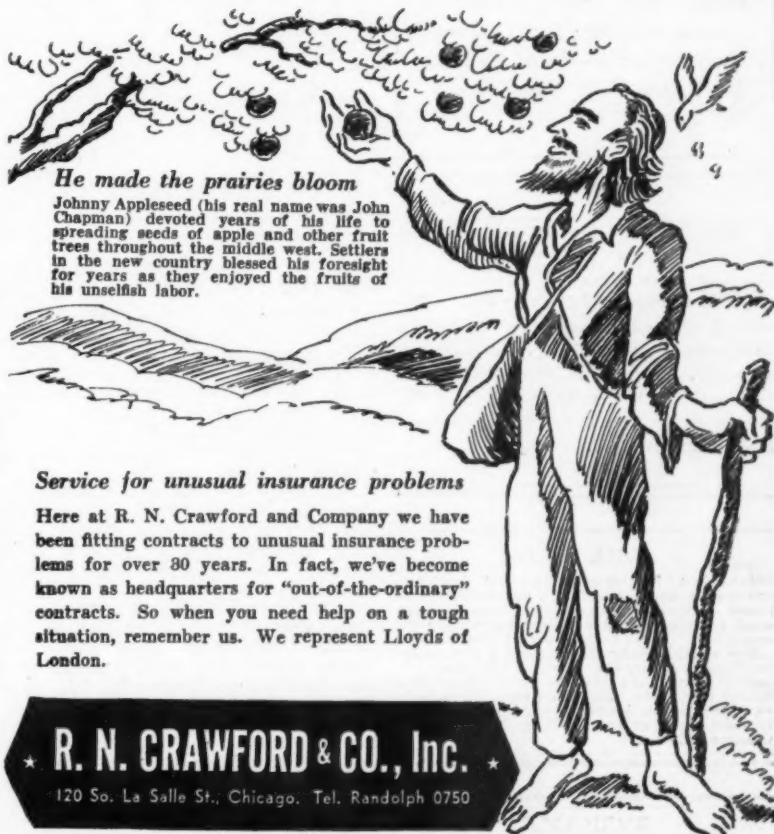
Can't Get Commission

In response to an inquiry of Commissioner Downey, Attorney General Howser of California has given an opinion that a corporate agent may not receive commission from a disability insurer when the two principal stockholders or officers of the agent are directors of the insurer.

Form New Ark. Company

FAYETTEVILLE, ARK.—Southwest Casualty, the first accident and casualty company organized in Arkansas, has been licensed. W. C. Whitfield of Fayetteville is president. Its capital is \$100,000.

SERVICE in unusual ways



He made the prairies bloom

Johnny Appleseed (his real name was John Chapman) devoted years of his life to spreading seeds of apple and other fruit trees throughout the middle west. Settlers in the new country blessed his foresight for years as they enjoyed the fruits of his unselfish labor.

Service for unusual insurance problems

Here at R. N. Crawford and Company we have been fitting contracts to unusual insurance problems for over 30 years. In fact, we've become known as headquarters for "out-of-the-ordinary" contracts. So when you need help on a tough situation, remember us. We represent Lloyds of London.

R. N. CRAWFORD & CO., Inc.

120 So. La Salle St., Chicago. Tel. Randolph 0750

Headquarters for "OUT-OF-THE ORDINARY" Contracts

AMERICAN RE-INSURANCE CO.

Robert C. Ream, President

99 John Street, New York 7, N. Y.

DECEMBER 31st, 1946

CAPITAL	\$ 4,000,000.00
Surplus	8,202,508.93
Voluntary Contingency Reserve	750,000.00
Surplus to Policyholders	\$12,952,508.93
Reserve for Losses	7,320,969.41
All Other Liabilities	6,021,613.24
TOTAL ADMITTED ASSETS	\$26,295,091.58

NOTE: Securities carried at \$650,000.00 in the above statement are deposited as required by law.

CASUALTY . FIDELITY . SURETY
Re-Insurance

WANTED

CASUALTY PAYROLL AUDITOR for Portland Branch of Casualty Company. Permanent position with excellent salary and opportunities for advancement. State age, experience and general qualifications. United Pacific Insurance Company, P. O. Box 1216, Tacoma, Washington.

WANT ADS

Agency Executive

Agency executive available to develop and manage eastern territory (New York, New Jersey, Pennsylvania, Connecticut, Rhode Island) for a progressive casualty company desirous of opening up or expanding in this territory under conservative New York management. Twenty years experience. Excellent production record. Highest credentials. Well and favorably known locally. The National Underwriter — C9 at 99 John St., Room 1103, New York 7, N. Y.

CASUALTY UNDERWRITER WANTED

Capable to assume full charge of underwriting and office management. Salary commensurate with ability. Excellent opportunity. Republic Indemnity Company of America, Chicago Office, E. H. Rieke, Illinois State Manager, 175 W. Jackson Blvd., Harrison 8470.

WILL SELL

Independent Insurance Adjustment business. Automobile and Casualty. A successful established company for over 26 years. Serving good companies with excellent opportunity for expansion. Owner retiring from business. Will sell to reliable party only. Splendid opportunity for Claims Attorney or good independent adjuster. Located in central Mid-west city of over 400,000 population. This is an established, fully equipped, going business. Address K-61, c/o National Underwriter, 175 West Jackson Blvd., Chicago, Illinois.

AVAILABLE

Bond underwriter now employed by multiple line company. 21 years casualty and bond experience with companies and general agency—field work and home office underwriting experience. 41 years old. Will consider limited traveling. Please state future possibilities and approximate salary. Address K-66, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Offering permanent well-paying position as statistician in our Home Office located in Los Angeles. Must have knowledge of bureau filings, coding programs, statement preparations and IBM machines. In reply please state background and salary desired. NATIONAL AUTOMOBILE & CASUALTY INSURANCE COMPANY, 724 So. Spring Street, Los Angeles 14, Calif.

Established Branch Office of Multiple Line Insurance Company desires BOND UNDERWRITER AND PRODUCER for Southeastern territory. Excellent prospects. State age, experience, salary expected and references. All replies confidential. Address K-56, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

SURETY

Cost Readjustments Leading to Bond Writing Upsurge

Readjustments in the costs of building materials and labor, are leading to a tremendous increase in contract bond business.



C. W. Laird

Carroll W. Laird, assistant secretary of Indemnity of North America declared at the Pittsburgh Insurance Day.

A tremendous backlog of needed public improvements has piled up during the last five or six years, Mr. Laird said. Reconstruction must and will take place. If serious unemployment should occur public works contracts very likely will be utilized to create new employment.

High costs of both labor and materials and the uncertainty of future costs act as a deterrent to new building, but prices of at least some important materials are even now seeking lower and stabilized levels, he observed. Under private management, labor will become more efficient and productive, even though wage rates are bound to remain high.

Soon May Figure Costs

"We hope and expect that contractors will soon be able to figure costs, and prepare bid estimates with a reasonable degree of assurance and safety and that the time-honored economic system of fixed unit price or lump sum contracts will prevail again. This, of course, means a tremendous increase in contract bond business."

Mr. Laird told of the demand for surety bonds covering private construction work and explained what the insurance companies have done to meet this need, principally through new bond forms. The performance bond and labor and materials payment bond, Mr. Laird characterized as vastly superior to any forms heretofore available for private work. As in the case of contract bonds on public works, sales possibilities of these new private construction bond forms will depend largely on the stabilization of the markets for building materials and labor, he said.

Mr. Laird remarked on the constantly increasing demand for unusual bond coverages and of the growing willingness of surety companies to meet these demands. He gave several examples as evidences of the extent to which surety guarantees have been and may be used.

Legislation to Be Featured at Missouri Mid-Year Meet

COLUMBIA, MO.—The Missouri Assn. of Insurance Agents at its mid-year meeting here March 14-15 will devote the late afternoon and evening of March 14 to consideration of Missouri legislation, including public law 15, the all-industry rating bills and the substitute measures proposed by the insurance agents and brokers and companies domiciled in this state. The sales congress will also be held March 14 from 10 a. m. to 4 p. m.

The executive committee originally had planned to meet the evening of March 14 but instead will meet at 10 a. m. on March 15.

Mrs. Fred W. Sundlof, whose husband is special agent for Hartford Fire with headquarters at Chicago, suffered a stroke the other day.

PERSONALS

Charles S. Kidder, superintendent of the purchasing department of Standard Accident, Detroit, was honored on his 45th anniversary with the company. In an office bedecked with flowers, Mr. Kidder was congratulated by officers and members of the Old-Timers Club. He was presented with a radio. Mr. Kidder started in the A. & H. department. A little later he was put in charge of supplies.

D. M. Ferry, Jr., chairman of Standard Accident, has been reelected president of Detroit Art Founders Society for the 27th year.

Miss Agnes L. Whyte, Los Angeles, was guest of honor at a luncheon tendered her by her fellow workers in the southern California office of U. S. F. & G. on her 30th anniversary with the company and the office.

Carl L. Kirk, assistant U. S. manager of Zurich, has been elected vice-president of Kenilworth Community Chest. He has been active in civic affairs since moving to Kenilworth eight years ago and is now serving as village clerk and a director of Kenilworth Club.

DEATHS

John R. Lawson, 64, retired vice-president at Seattle for American-Associated, died there after an extended illness. For many years he was with Frank M. Guion & Co., which represented American Auto as general agents in Washington. Before the company went on a branch office basis at Seattle, Mr. Lawson was president of that agency. When the branch office was established in 1932, he left the agency and became manager for the company and subsequently vice-president. He was retired in 1945.

Henry B. Fowler of Milton, Mass., for 15 years general agent in Boston for General Accident, died.

Horace Winter, who was associated with Travelers for over 30 years, died at Washington, Saturday, aged 62. Washington born, he joined Travelers at St. Louis in 1907, and was later connected with that company at New York and Indianapolis. In 1915 he went to Washington to organize the branch, which he managed until 1941. Thereafter he was manager of the Travelers army and navy bureau until last year when he retired due to ill health. Chief of Navy Chaplains William Thomas officiated at his funeral Monday.

Frank X. Jansinski, 50, who represented Massachusetts Mutual Life and Aetna Casualty at Grand Rapids, Mich., died there.

Oscar W. Swanson, 62, accountant and office manager at Chicago for Massachusetts Bonding, died at his home Monday after a long illness. Mr. Swanson had been with Massachusetts Bonding for 16 years. A son, R. W. Swanson, is special agent at Indianapolis for Continental and American Eagle, and another son, E. R. Swanson, is a broker with the La Bow-Haynes agency at Seattle.

Veitenhaus Milwaukee Head

MILWAUKEE—The Milwaukee County Board of Casualty & Surety Underwriters has elected A. A. Veitenhaus, Dick & Reuteman Co., president; Ray Keesler, Benj. Weil Agency, vice-president, and Gustav Schwarm, G. E. Schwarm Agency, treasurer. The secretary will be elected by the board.

Holt Seattle Manager

Ray Holt has been appointed manager for Massachusetts Bonding at Seattle. He formerly was with Royal, Globe and Eagle Indemnity and recently with Massachusetts Bonding at Los Angeles.

N. Y.-N. H. Type Responsibility Law Offered in Wash.

OLYMPIA—A financial responsibility law of the New York-New Hampshire type has been introduced in the Washington legislature by Rep. Bassett and it is expected that insurance interest will next be centered on this bill, now that the differences over the proposed insurance code has been ironed out and passage of the latter bill is expected.

The proposed financial responsibility law requires a report of an automobile accident involving property damage of more than \$100 or any personal injury within 10 days and suspension of the operator's license if he is unable to prove his ability to pay any judgment arising out of the accident. Liability insurance with \$5/10/1000 limits is acceptable proof. The act does not apply to accidents from reasons not within the immediate control of the operator or to those involving damage exclusively to the operator's automobile.

The present Washington financial responsibility law is based on the old American Automobile Assn. model bill, except that it refers only to driver's licenses and not to registration plates. Under the present law, an operator loses his license if he does not pay any judgment based on an automobile accident. The proposed new law also refers to driver's licenses only, although all other versions of the New York Hampshire law also suspend registration certificate.

Markham Speaks at Kansas City Buyers Rally

W. N. Markham, district manager of Liberty Mutual, spoke at the Feb. 18 meeting of the Kansas City Insured Members' Conference of Associated Industries of Missouri. Mr. Markham discussed the proposed amendment to the Missouri compensation law which would liberalize benefits. He went into the effects of losses on costs and what the buyer can do to control these matters, including the question of handling claims, loss prevention through safety programs and auditing. He also discussed experience rating.

WANT ADS

WANTED ACCOUNTANT

Casualty insurance accountant capable of assuming full charge of all accounting matters of fast growing company at home office, Tucson, Arizona. Replies will be held strictly confidential. Excellent salary. Write Republic Indemnity Company of America, 36 So. Stone Ave., Tucson, Arizona.

If you are between 27 and 35 years of age and have about five years experience in inland Marine insurance, we have an opening with excellent opportunities in our Underwriting Department. In reply write W. L. Chase, Employers Casualty Company, Interurban Building, Dallas 1, Texas.

WANTED CASUALTY SPECIAL AGENT Chicago Branch Office has opening for man to develop agents and brokerage business. Workmen's Compensation and Automobile Insurance experience essential—prefer man now located in Chicago. This will be a well paying and permanent position if you can qualify. Address K-64, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

AMERICAN
\$1,428,428;
loss res., \$
surplus, \$1,
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Accident
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Other liability
Workmen's
Fidelity
Surety
Glass
Burglary
Auto prop.
Auto collision
Other P.D.
Total

Anchor
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Misc. A. &
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416; loss
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Accident
Health

NEWS OF THE CASUALTY COMPANIES

American Cas.—Assets, \$14,719,317, inc., \$1,428,428; unearned prem., \$5,183,488; loss res., \$4,427,974; capital, \$2,000,000; surplus, \$1,774,616, dec., \$854,112. Experience:

	Net Prem.	Losses Paid
Accident	\$1,220,591	\$ 419,554
Group A. & H.	505,051	331,424
Auto liability	3,324,033	1,508,303
Other liability	1,653,554	253,918
Workmen's comp.	2,346,185	852,551
Fidelity	161,756	16,818
Surety	358,011	—7,515
Glass	244,982	108,509
Burglary & theft.	756,771	247,456
Auto prop. damage.	1,755,510	1,015,047
Auto collision	116,123	90,421
Other P.D. & coll.	204,811	35,936
Total	\$12,647,378	\$4,872,422

Anchor Cas.—Assets, \$6,543,618, inc., \$1,388,666; unearned prem., \$2,261,246; loss res., \$2,415,742; capital, \$600,000; surplus, \$824,202, inc., \$171,763. Experience:

	Net Prem.	Losses Paid
Accident	16,229	\$ 1,392
Health	4,329	5,982
Group A. & H.	88,581	83,067
Misc. A. & H.	50,491	—
Auto liability	1,504,968	444,574
Other liability	304,379	34,316
Workmen's comp.	1,623,031	728,312
Fidelity	56,859	4,453
Surety	19,097	289
Glass	46,059	14,978
Burglary & theft.	69,826	28,314
Auto prop. damage.	735,770	319,967
Auto collision	1,031,340	531,583
Other P.D. & coll.	57,196	17,490
Other auto	462,278	188,187
Burglary bonds	18,280	1,702
Total	\$6,088,713	\$2,404,606

Arex Indemnity—Assets, \$1,386,216, inc., \$106,164; unearned prem., \$237,057; loss res., \$405,999; capital, \$451,770; surplus, \$247,704, inc., \$1,398. Experience:

	Net Prem.	Losses Paid
Auto liability	\$2,005	\$ 62,441
Other liability	107,913	13,758
Workmen's comp.	314,149	119,361
Glass	3,295	1,006
Burglary & theft.	42,053	20,911
Boiler & machinery.	9,089	250
Auto prop. damage.	23,809	19,967
Other P.D. and coll.	6,137	50
Total	\$58,454	\$ 237,747

Auto-Owners, Mich.—Assets, \$8,672,719, inc., \$808,487; unearned prem., \$3,799,579; loss res., \$2,982,687; surplus, \$1,248,568, dec., \$78,266. Experience:

	Net Prem.	Losses Paid
Auto liability	\$2,433,441	\$ 793,186
Other liability	142,682	8,161
Workmen's comp.	851,240	312,737
Glass	51,099	21,321
Burglary & theft.	90,580	23,776
Auto prop. damage.	1,505,117	666,184
Auto collision	1,686,214	1,167,068
Other P.D. & coll.	59,595	4,508
Other auto	916,936	360,219
R. T. S. & misc.	167,300	73,886
Total	\$7,904,208	\$3,431,050

Badger State Cas.—Assets, \$183,288, inc., \$22,456; unearned prem., \$44,381; loss res., \$35,134; surplus, \$91,288, inc., \$1,279. Experience:

	Net Prem.	Losses Paid
Auto liability	53,282	\$ 18,912
Auto prop. damage.	29,467	7,740
Auto collision	11,312	5,686
Other auto	9,585	2,169
Total	\$103,660	\$ 34,510

Buckeye Union Cas.—Assets, \$6,551,328, inc., \$575,259; unearned prem., \$2,862,682; loss res., \$1,977,384; capital, \$600,000; surplus, \$701,954, dec., \$632,607. Experience:

	Net Prem.	Losses Paid
Auto accident	\$244,137	\$ 87,127
Auto liability	1,720,002	597,830
Other liability	418,486	61,730
Glass	79,645	26,162
Burglary & theft.	186,800	54,440
Tornado	131	8
Auto prop. damage.	1,055,304	703,220
Auto collision	1,326,440	764,824
Other P.D. & coll.	88,890	24,583
Other auto	530,808	213,907
Towings	2,357	808
Total	\$5,653,000	\$2,534,637

Central Mutual Cas.—Assets, \$501,773, inc., \$75,144; unearned prem., \$236,919; loss res., \$135,558; surplus, \$102,022, dec., \$53,377. Experience:

	Net Prem.	Losses Paid
Auto liability	\$206,937	\$ 58,852
Glass	10,493	4,450
Auto prop. damage.	76,232	36,561
Auto collision	104,730	80,696
Other auto	73,314	27,419
Total	\$471,706	\$ 207,978

Combined Mutual Cas.—Assets, \$1,643,522, inc., \$650,495; unearned prem., \$780,416; loss res., \$189,768; surplus, \$376,530, inc., \$44,023. Experience:

	Net Prem.	Losses Paid
Accident	\$1,565,915	\$ 390,041
Health	498,120	103,401

A. & H.—Assets, \$48,598, 9,746; Non-can. A. & H. 21,722, 5,993; Hospital

Consolidated Und. Mo.—Assets, \$6,746, 154, inc., \$489,428; unearned prem., \$491, 558; loss res., \$2,668,267; surplus, \$3,118, 530, inc., \$192,669. Experience:

	Net Prem.	Losses Paid
Auto liability	\$442,306	\$ 147,676
Other liability	471,871	125,562
Workmen's comp.	2,802,518	1,428,514
Auto prop. damage.	162,346	77,816
Auto collision	249,823	110,883
Other P.D. & coll.	16,742	3,341
Other auto	108,420	38,137
Total	\$4,254,026	\$1,931,928

Detroit Auto, Inter-Ins. Exchange—Assets, \$13,349,874, inc., \$1,567,730; unearned prem., \$6,150,051; loss res., \$3,757, 323; surplus, \$3,292,499, dec., \$1,047,812. Experience:

	Net Prem.	Losses Paid
Auto liability	\$4,277,094	\$1,196,460
Auto prop. damage.	2,437,770	1,345,840
Auto collision	3,536,246	3,192,085
Other auto	1,775,248	704,589
Total	\$12,026,358	\$6,438,974

Employers Reinsurance—Assets, \$31, 147,855, inc., \$2,268,504; unearned prem., \$6,976,612; loss res., \$9,664,965; capital, \$2,000,000; surplus, \$8,000,000; voluntary special reserve, \$2,597,601, dec., \$187,261. Experience:

	Net Prem.	Losses Paid
Accident	\$455,709	\$ 123,185
Health	107,872	35,326
Group A. & H.	91,263	44,864
Non-can. A. & H.	173,556	69,309
Auto liability	7,710,202	2,844,253
Other liability	1,080,497	270,008
Workmen's comp.	990,992	410,633
Fidelity	856,793	161,498
Surety	813,353	15,302
Glass	8,132	—
Burglary & theft.	521,861	157,643
Boiler & machinery.	76,679	69,703
Auto prop. damage.	1,480,413	487,620
Auto collision	4,869	—
Other P.D. & coll.	130,307	2,776
Credit	281,587	—2,943
Total	\$14,784,085	\$4,689,777

Farmers Mutual Liability—Assets, \$1, 670,183, inc., \$291,931; unearned prem., \$639,714; loss res., \$459,110; surplus, \$496, 187, dec., \$18,914. Experience:

	Net Prem.	Losses Paid
Auto liability	\$351,074	\$ 105,626
Other liability	17,101	1,216
Workmen's comp.	200,049	79,279
Auto prop. damage.	231,860	95,275
Auto collision	445,541	337,946
Other P.D. & coll.	6,669	1,263
Other auto	159,454	53,378
Misc.	8,191	1,140
Total	\$1,419,939	\$ 675,123

Fidelity Mutual, Ind.—Assets, \$901,208, inc., \$126,583; unearned prem., \$340,403; loss res., \$249,168; surplus, \$256,262, dec., \$69,305. Experience:

	Net Prem.	Losses Paid
Auto liability	\$278,891	\$ 68,702
Auto prop. damage.	166,280	71,335
Auto collision	239,501	121,373
Other auto	89,000	40,713
Misc. auto	1,612	478
Total	\$775,284	\$ 302,601

Hartford Steam Boiler—Assets, \$25, 524,968, dec., \$223,521; unearned prem., \$11,693,785; loss res., \$1,432,981; capital, \$3,000,000; surplus, \$8,294,282, inc., \$1,293, 365. Experience:

	Net Prem.	Losses Paid
Boiler & machinery	\$8,871,264	\$1,807,148

Iowa Mutual Cas.—Assets, \$1,243,552, inc., \$373,963; unearned prem., \$619,215; loss res., \$264,317; surplus, \$315,533, dec., \$24,296. Experience:

	Net Prem.	Losses Paid
Auto liability	\$294,246	\$ 78,677
Other liability	60,832	9,388
Workmen's comp.	140,851	44,484
Glass	19,870	2,536
Burglary & theft.	29,215	11,524
Auto prop. damage.	202,323	86,753
Auto collision	343,243	173,099
Other P.D. & coll.	17,444	6,020
Other auto	191,988	79,227
Cargo	8,480	7,684
Total	\$1,308,492	\$ 499,392

Liberty Lloyds—Assets, \$504,534, inc., \$58,849; unearned prem., \$96,731; loss res., \$140,403; guaranty fund, \$110,000; surplus, \$106,257, inc., \$12,744. Experience:

	Net Prem.	Losses Paid
Auto liability	\$32,543	\$ 1,500
Other liability	30,411	2,564
Workmen's comp.	132,217	62,264
Fidelity	377	—
Surety	55	—
Auto prop. damage.	17,954	1,812
Auto collision	21,198	6,774
Other P.D. & coll.	6,509	541
Other auto	13,974	1,702
Fire, theft, E. C.	4,002	2,549
Total	\$259,240	\$ 79,706

Mid-States—Assets, \$1,438,496, inc., \$344,848; unearned prem., \$781,443; loss res., \$204,184; capital, \$250,000; surplus, \$127,008, dec., \$12,521. Experience:

	Net Prem.	Losses Paid
Accident	\$7,497	—
Auto liability	68,567	\$ 40,046
Other liability	5,206	6
Glass	526	84
Misc. auto	43,690	6,673
Auto prop. damage.	41,407	27,549
Auto collision	806,925	502,640
Other P.D. & coll.	143	—
Other auto	413,706	115,554
Credit	25,865	302
Total	\$1,413,533	\$ 692,853

Mutual Auto, Wis.—Assets, \$506,018, inc., \$90,414; unearned prem., \$174,404; loss res., \$114,145; surplus, \$198,550, dec., \$33,474. Experience:

	Net Prem.	Losses Paid
Auto liability	\$183,733	\$ 105,576
Auto prop. damage.	86,601	46,480
Auto collision	58,159	25,950
Other auto	34,123	7,571
Tornado & hail.	352	—
Total	\$362,973	\$ 185,931

Mutual Boiler—Assets, \$3,655,036, inc., \$415,982; unearned prem., \$1,304,554; loss res., \$150,021; surplus, \$1,903,191, inc., \$247,881. Experience:

	Net Prem.	Losses Paid
Boiler & machinery	\$2,860,081	\$ 303,381

Mut. Hospitalization, Del.—Assets, \$179, 023, inc., \$43,389; unearned prem., \$74, 167; loss res., \$11,972. Experience:

	Net Prem.	Losses Paid
Hospitalization	\$409,593	\$ 68,318

National A. & H.—Assets, \$1,459,449, inc., \$92,154; unearned prem., \$95,065; loss res., \$134,540; capital, \$300,000; surplus, \$707,144, inc., \$201,524. Experience:

	Net Prem.	Losses Paid
A. & H.	\$1,952,636	\$ 627,480

National Grange Mutual—Assets, \$5, 446,516, inc., \$561,415; unearned prem., \$1,366,692; loss res., \$1,686,009; surplus, \$1,743,817, inc., \$2,253. Experience:

	Net Prem.	Losses Paid
Auto liability	\$1,883,991	\$ 614,688
Other liability	105,050	17,195
Workmen's comp.	18,121	1,911
Fidelity	10,326	198
Auto prop. damage.	719,543	297,431
Auto collision	275,782	104,599
Other P.D. & coll.	22,514	2,767
Total	\$3,035,327	\$1,028,789

National Mutual, D. C.—Assets, \$313, 061, inc., \$61,292; unearned prem., \$66, 909; loss res., \$96,166; surplus, \$123,641, inc., \$20,641. Experience:

	Net Prem.	Losses Paid
Auto liability	\$142,270	\$ 54,811
Auto prop. damage.	103,699	24,826
Auto collision	7,427	800
Other auto	2,904	679
Filing fees	3,262	—
Total	\$259,562	\$ 81,116

Pioneer, Neb.—Assets, \$852,938, inc., \$10,123; unearned prem., \$55,029; loss res., \$2,631; capital, \$150,000; surplus, \$506, 135, inc., \$9,105. Experience:

	Net Prem.	Losses Paid
A. & H.	\$55,833	\$ 10,020

Pioneer Mutual Cas.—Assets, \$318,916, inc., \$94,275; unearned prem., \$113,820; loss res., \$65,569; surplus, \$108,141, inc., \$29,409. Experience:

	Net Prem.	Losses Paid
A. & H.	\$10,823	\$ 2,945
Comprehensive	3,238	1,885
Fire	602	86
Auto liability	29,237	9,729
Theft	323	6
Tornado	90	10
Cargo	754	—
Passengers	1,114	—
Bus	145	—
Burglary	42	—
Hosp. & surg.	561,195	175,175
Auto prop. damage.	23,566	13,599
Auto collision	8,072	2,295
O. L. & T.	103	—
Total	\$639,362	\$ 205,733

Pioneer Mutual Compensation—Assets,

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Speakers for Conference at Dayton April 11 Announced

The Ohio Assn. of Insurance Agents, the Dayton Fire & Casualty Underwriters Assn. and the University of Dayton are cooperating in a fire and casualty conference at the University of Dayton April 11. Torrence Makley, chairman of the conference committee of the Dayton association, is in charge of arrangements. Speakers will be M. T. McWhorter, insurance buyer for Procter & Gamble Co., Cincinnati; Elmer L. Stephenson, mid-west manager of Associated Aviation Underwriters, Chicago; Gustav May, Cincinnati, president Ohio Assn. of Insurance Agents, and Dr. E. B. O'Leary, professor of economics at the University of Dayton.

A similar conference will be held in Toledo April 7, with sessions at the Seccor and Commodore Perry hotels. It had been planned to hold the conference at the University of Toledo but the presence of a large number of GI's at the university makes this impossible. Chairman in charge of arrangements is L. R. Spitzer of the Merrill, Dodge & Jackson agency.

Neb. Fire Marshal Finds State Capitol Bad Risk

LINCOLN, NEB.—State Fire Marshal Iverson after thorough inspection of the \$10 million capitol at the request of Gov. Peterson, told the legislature fire hazards are "astounding." There is the equivalent of over two tons of dynamite stored in the basement in the form of alcohol and gasoline, he said. Bad wiring, open wire waste baskets, antiquated fire hose, "entirely inadequate" fire alarm system, overcrowding and storage of "highly combustible" books and papers were among fire hazards condemned. The structure is considered one of the most beautiful in the world.

Iowa Mutual Changes

Robert C. Waggoner has been named Illinois claims attorney for Iowa Mutual of De Witt. A graduate of the University of Iowa, Mr. Waggoner was 10 years with the Federal Land Bank at Omaha, in private practice at Davenport, and then in government service.

George S. Howes, agency supervisor, was elected to the board of both the fire and casualty companies and Howard O. Park, resident manager at Des Moines, a director of the casualty company, was added to the fire company board.

Jerry Huber and Harold Lincoln have been transferred from the home office to Des Moines.

Hueseman Board President

APPLETON, WIS.—Charles Hueseman was elected president of the Appleton Insurance Board, succeeding Emil Walther, who was named vice-president. Peter Vollmer, formerly vice-president, was elected secretary-treasurer in place of David Jacobson.

Neb. Bills Are Advanced

LINCOLN, NEB.—The legislative banking committee advanced a bill by Senator Peterson providing for appointment of actuaries and examiners by the insurance department and prescribing their qualifications. Among persons appearing before the committee were Director Stone, E. J. Faulkner, Woodmen Accident, Lincoln; William Mooney, Omaha; Harold Requarte, Farmers Mutual Fire, Lincoln. All said the bill would not place any burden on the state

and that funds now collected from the insurance companies for regulation purposes would be expended for regulation.

Another bill advanced also by Peterson would permit insurance companies to increase the contingency reserve to 20% of net value, or to \$100,000, whichever is greater.

Kenna Outlines Program

WICHITA—The Wichita Assn. of Insurance Agents gave a record turn-out to Alpha H. Kenna, new manager and educational director of the Kansas association on his initial visit there. He reviewed the four major objectives of the Kansas association for the year: Membership expansion, with a goal of 1,300; educational program to include organization of study clubs, regional one-day schools and the annual short course at the state university; legislative and public relations programs.

Coverage to Be Increased

RACINE, WIS.—The county insurance committee was authorized to increase coverage on most county-owned property to the extent of 10% to bring a general over-all coverage of 80%.

Bill Affects Neb. Hail Cover

Under a bill filed in the Nebraska legislature, the insurance director is given authority to determine the gross amount of policy notes that can be taken during the year by assessment hail companies, and that no commission shall be paid on any note until it has been fully paid. The bill also increases from 50 to 60% the amount that must be deposited as a loss fund, which may not be drawn upon except by approval of the director.

NEWS BRIEFS

Richard E. Vernor, manager fire prevention department Western Actuarial Bureau, addressed the Rotary Club of Janesville, Wis.

Mutual Fire & Tornado of Cedar Rapids, Ia., has changed from an assessment association to a mutual company.

C. B. Erskine, Cimarron, Kans., agent, was elevated to grand master of the grand council of the York Rite Masonic bodies at a meeting at Wichita.

More than 260 attended the annual "bosses night" dinner of Indianapolis Association of Insurance Women.

Genevieve Wiese, Marsh & McLennan, president, gave the address of welcome. Principal address was given by Harry Copland, on "Whose Bread I Eat."

The dinner has become the largest insurance social event at Indianapolis.

The Dewey C. Black agency has moved to larger quarters at 60 East Broad street, Columbus, O.

C. A. Caldwell of Shadyside, O., has sold his agency to James Monroe.

The Insurance Women of Racine have instituted a "most courteous driver" weekly award campaign for a six-week period. A \$10 award is presented to the driver reported to the committee and selected as the most courteous driver observed. Speaker at the monthly dinner meeting was Hal Kent, new public safety director for Racine.

The Hein Insurance Agency, Stevens Point, Wis., is observing its 50th anniversary.

Lawrence F. Ryan, a veteran of both world wars with foreign service, released recently with the rank of lieutenant colonel, has opened a local agency in Superior, Wis.

Managerial Conference

George H. Moloney, Addison C. Posey, Harry A. Kearney and George T. Merrick, vice-presidents of Hartford Accident, who are in charge of the western, Pacific and New York departments, are at Hartford conferring with Paul Rutherford, president, and other company officials.

Texas Agents Vote on Windstorm Deductible

Referendum ballots have been mailed to members of the Texas Assn. of Insurance Agents to give them an opportunity to vote on an optional or mandatory windstorm deductible. Ballots are to be returned by March 1. This is to record the official position of the Texas association so that the commissioners and the association's rates and form committee will have the information as to the wish of the majority of Texas agents.

Will M. Keller, Palestine, president of the association, suggested that each member discuss the subject thoroughly with fellow agents and that local associations discuss it at their February meetings.

Ark. State Fire Fund Bill Passes the Senate

LITTLE ROCK—The Arkansas senate has voted to permit the state to assume fire and tornado insurance risks on its public buildings. The bill empowers the state to cancel its current policies with commercial insurers.

Institutions would continue to pay current premiums into a state fund out of which would be paid insurance losses.

"The state spent \$219,000 last year on fire and tornado insurance and has collected only \$52,000 for losses in the last five years," Senator Smith of Reyno, author of the bill, declared. "If it's good business for the insurance people it's good business for the state."

Tenn. Bill Would Change Countersignature Provision

NASHVILLE—The insurance department introduced 10 bills in the Tennessee legislature, all of which have been passed on second reading.

Most important is the measure which would change the countersignature law to require the resident agent to retain at least 50% of the commission. Direct writing mutuals and reciprocals would be exempted.

Another bill would change the date for relicensing foreign insurance companies from April 1 to July 1 and another would require the designation of the insurance commissioner (formerly the secretary of state) in the serving of certain legal processes against foreign companies.

Two others would make slight changes in the present code governing reinsurance.

Dallas Gets Rating Credit on Fire This Year

DALLAS—Inability of adjusters to settle the approximately \$1 million Neiman-Marcus fire loss of Nov. 29 before Jan. 1 will provide property owners a 5% credit on all fire policies dated on or after March 1. This compares to the 5% penalty that would have been charged had the loss been settled in 1946, a net differential of 10%, or saving of about \$340,000 premiums, it is estimated.

The 1947 credit comes about due to the unusual credit-debit fire rating plan in operation in Texas. Highland Park and University Park, adjoining Dallas, each lost 5%, Highland Park dropping from 20% to 15% credit and University Park from 25% to 20%.

Fort Worth will continue with a normal premium, neither credit nor penalty; Houston will have 5% credit after March 1, whereas it has had 10% credit;

San Antonio, which until recent years always had the maximum credit of 25%, will continue with the 10% credit it now has, but most of its suburban adjacent municipalities continue with 25% credit, and El Paso continues with 5% credit.

With a carry-over of more than \$1 million loss from 1946, Dallas again will go into the penalty bracket next year unless it has abnormally low losses in 1947.

Okla. Officials Visit Texas

Donald F. Dickey, Oklahoma commissioner, and C. O. Hunt, secretary of the Oklahoma insurance board, visited the Texas department at Austin to make a study of organization and personnel operation. The study was made as a preparatory move toward making recommendations to the legislature to provide personnel increase if state regulation of fire and casualty insurance should become effective after Jan. 1.

Birmingham Plan Success

The institutional advertising of the Birmingham Assn. of Insurance Agents has entered its fourth semi-annual period. The success has been so well defined that members supporting the plans are well pleased and wish to go on with it. At present 54 leading agencies are carrying on the project. Many local boards have inquired about the work and how it was planned.

Shift in Mobile Agency

Thames, Jackson & Harris is the new name of the McHugh, Hamilton & Lyon Co. agency in Mobile, Ala. The firm members are Gus. Thames, John O'C. Jackson and Ben Harris. Mr. Thames is a leading realtor. Mr. Jackson is a leader in the Alabama Assn. of Insurance Agents and its president in 1946 and past president Mobile Board. Mr. Harris joined the firm four years ago.

Louis A. Schmitt, Memphis manager for National Surety, discussed the broad form money and securities policy at a meeting of the Nashville Insurance Exchange.

NEWS BRIEFS

The Insurance Women's Club of Oklahoma City heard a talk by Robert H. Nutt, memory expert. Mrs. Ernest Crist and Mrs. Iona Bush were named delegates to the Dallas regional meeting of the National Assn. of Insurance Women, March 29-30.

After 20 years' active business as a local agent, John A. Cowling, McAlester, Okla., is retiring and going to California to live. His agency was sold to J. E. Riddle, who will continue the business.

EAST

Yeager Reopens Agency

The Yeager & Co. agency in Buffalo has been reopened by Orson E. Yeager, Jr. The office was closed for part of the time Mr. Yeager was in the army air forces and the business was handled by another agency.

Reilly to Utica Agency

David W. Reilly has joined the Cantwell & Bromley agency, Utica, N. Y., as vice-president and manager, after nearly 11 years with Utica Mutual. Hugh Williams, who has been associated with Mr. Reilly for 17 years, will continue with him as vice-president in charge of field work.

Pearl Reichley, Crooksville, O., has purchased the State Auto Mutual agency from Mrs. Lenore Cope.

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PACIFIC COAST AND MOUNTAIN

Tacoma Loss Is Now Set at \$2,250,000

Loss in the fire Jan. 30 at Continental Flouring Mills, Tacoma, is now estimated at \$2,250,000.

Some 500,000 bushels of wheat were destroyed for a loss of about \$1 million. This was insured by Byington, Rychard & Hurley in Caledonian and Lloyds.

There was \$725,000 insurance on buildings written by D. K. MacDonald & Co., Seattle, in Sun. There was also an excess policy of \$200,000 at that location, in which it is reported North America and Glens Falls are interested.

There was \$300,000 U. & O. of which North America has \$65,000.

Jack Roddy of F.C.A.B. is handling the loss.

Cal. Procedure Improper

LOS ANGELES—Attorney General Howser has handed down an opinion that the commissioner is not empowered to issue an agent's license, subject to a disciplinary suspension, to an applicant who has not heretofore been licensed. The department has been following the practice of issuing a license subject to immediate suspension for a period when a hearing on the application discloses that the applicant had at some previous time committed an act that, if he had held a license, would subject him to suspension or revocation. The division of administrative procedure questioned the commissioner's power to pursue such a practice and the opinion of the attorney general was sought.

Oregon Agents Meet Aug. 21

The Oregon Assn. of Insurance Agents annual meeting has been planned for Aug. 21-22 at Eugene. J. Don Smith of Eugene is chairman of the program committee.

Oakland Agents' Meeting

C. M. Putnam, president of the California Assn. of Insurance Agents, told the Oakland Association how the state organization functions. He stressed the importance of continued efforts for new memberships. Capt. Lester Devine of the Oakland police traffic bureau reviewed the traffic accident situation.

New Atlantic Mutual Office

Atlantic Mutual and Centennial have opened offices in Los Angeles under James E. Crilly, Jr. He will be assisted by Richard V. Eastman who will supervise fire operations. Mr. Eastman has been in the business in Southern California for 13 years.

Braerton, Stebbins Talk

The Denver Assn. of Insurance Agents at the monthly meeting heard talks by W. L. Braerton, president Mountain States Assn. of General Agents, and Ray Stebbins, of Cobb & Stebbins, on the all-industry bill. More than 50 agents attended. Among honored guests were Miss Ora Sloan, chief examiner, and James R. McClelland, examiner Colorado department.

NEWS BRIEFS

Dixwell Ross, for many years with the adjusting firm of Henry & Chase, San Francisco, has established his own offices as an independent adjuster at 364 Bush street, San Francisco.

Insurance Women of Denver heard a talk by Raymond Stebbins, Cobb & Stebbins, in his capacity as chairman of Underwriters Safety Council on local traffic problems.

The Insurance Women of Spokane have elected Miss Ramona Roberts of Aero Underwriters the new president. Mrs. Virginia Webber, Nevers Leonard

agency and Miss Jean Cole, National Fire, are vice-presidents; Miss Thelma Lloyd, Clarence Livingston agency, secretary, and Mrs. Olive Magnus, Edward Brown & Son, treasurer.

R. A. Edmondson of Akron, Colo., has sold his agency to Chester Kincheloe, for many years county treasurer of Washington county.

MARINE

Fischer to Chicago for New Hampshire

Frank J. Fischer, Jr., has been appointed special agent for the western marine department of New Hampshire and Granite State with headquarters in the Insurance Exchange building, Chicago.

Mr. Fischer was formerly for about eight years with the Royal-Liverpool group and has had extensive underwriting and field experience. During the war he served three years in the army air forces and saw active service in the European theatre.

W. J. Hallowell, manager of the inland marine department at the home office, was in Chicago to install Mr. Fischer in his new position.

Newhouse & Sayre Open Service Office at Dallas

Newhouse & Sayre have opened a service office in Dallas with supervision of the entire state under the direction of Robert M. Overton. The offices are at 411 Great National Life building.

Mr. Overton was graduated from Colgate University and has been with Newhouse & Sayre since 1941 except for three years in the army air corps. He was an underwriter and special agent at New York prior to his transfer to Texas.

Bezanson and Van Gils Promoted by Automobile

H. B. Bezanson and H. D. Van Gils have been appointed assistant secretaries of the marine department of Automobile.

Mr. Bezanson joined the marine department in 1928. After field experience at Philadelphia and Pittsburgh, he was recalled to the home office in 1931 and in 1939 was named manager of the inland marine department.

Mr. Van Gils joined the company in 1925 and was assigned to special agency work in the mid-west in 1927. In 1930, he became superintendent of the marine department at Newark; in 1936, field supervisor, covering Texas, Arkansas and Oklahoma; and in 1938, assistant manager of the southern marine department. He was named marine agency manager in 1940. During the war, he served in the army.

Wilson, Ohio, W. Va. Mgr.

Charles E. Wilson has been named marine manager for Home in Ohio and West Virginia. He is with Home at Columbus.

Ross Field Supervisor

Henry Levine, general agent for New Jersey of Washington National, has appointed Richard C. Ross field supervisor for life, accident, health, hospitalization and group.

Retrospective Plan in Tex.

A retrospective boiler and machinery rating plan has been filed in Texas and word is being awaited as to the attitude of the Texas authorities.

Casualty Companies Report on Their 1946 Experience

(CONTINUED FROM PAGE 25)

Secured Cas.—Assets, \$838,823, inc., \$211,239; unearned prem., \$49,474; loss res., \$16,261; capital, \$393,717; surplus, \$373,703, inc., \$165,573. Experience:	
	Net Losses
	Prem. Paid
Accident	4,313 \$ 207
Health	1,814 200
Hospitalization	14,375 1,297
Liability (not auto)	10,473 600
Workmen's comp.	27,372 4,873
Fidelity	751
Surety	1,614
Glass	2,327 67
Burglary & theft	7,387 840
Garage P.D.	920
Other P.D. & coll.	1,493 16
Garage Hab.	1,113
Total	73,953 \$ 8,099

Service Mutual—Assets, \$851,529, inc., \$203,363; unearned prem., \$286,363; loss res., \$202,697; surplus, \$318,560, inc., \$21,900. Experience:	
	Net Losses
	Prem. Paid
Auto liability	84,553 \$ 15,368
Other liability	29,986 280
Workmen's comp.	215,621 68,759
Glass	1,795 150
Burglary & theft	76
Auto tornado	2,782 3,818
Auto prop. damage	50,690 19,158
Auto collision	109,513 46,540
Other P.D. & coll.	8,888 1,025
Other auto	58,674 26,002
Fire & tornado	66,789 7,657
Total	629,367 \$ 188,757

Standard Accident—Assets, \$48,515,271, inc., \$4,028,969; unearned prem., \$11,916,084; loss res., \$20,371,175; capital, \$3,518,760; surplus, \$8,174,993, dec., \$3,479,719. Experience:	
	Net Losses
	Prem. Paid
Accident	878,845 \$ 289,726
Health	88,277 49,934
Group A. & H.	868,545 457,047
Non-can. A. & H.	69 1,300
Auto liability	8,812,560 3,417,685
Other liability	2,889,553 480,647
Workmen's comp.	6,581,270 3,141,596
Fidelity	771,956 77,546
Surety	1,888,243 201,325
Glass	311,189 124,615
Burglary & theft	791,018 275,508
Boiler & machinery	27,338
Auto prop. damage	2,305,989 1,160,249
Auto collision	415,576 98,860
Other P.D. & coll.	440,274 91,979
Total	\$27,071,207 \$9,868,022

Travelers Indemnity—Assets, \$58,498,057, inc., \$14,054,938; unearned prem., \$22,459,569; loss res., \$12,867,390; capital, \$3,000,000; surplus, \$15,505,860, dec., \$603,899. Experience:	
	Net Losses
	Prem. Paid
Auto liability	\$2,884,651 \$ 979,576
Other liability	1,912,499 286,361
Workmen's comp.	3,169,880 2,093,377
Fidelity	748,869 75,489
Surety	1,266,340 127,229
Glass	799,016 300,866
Burglary & theft	5,048,249 1,769,037
Boiler & machinery	2,197,197 393,136
Auto prop. damage	9,566,820 5,411,337
Auto collision	11,426,201 3,526,659
Other P.D. & coll.	1,401,155 406,366
Total	\$40,420,907 \$15,369,437

Tenebers, Wash.—Assets, \$71,383, inc., \$5,616; unearned prem., \$32,694; loss res., \$10,473; surplus, \$18,510, inc., \$3,442. Experience:	
	Net Losses
	Prem. Paid
Accident	\$ 27,974 \$ 12,831
Health	153,173 54,295
Total	\$ 181,147 \$ 67,126

Travelers—Assets, \$1,589,220,051, inc., \$76,995,805; unearned prem., \$4,010,859; loss res., \$79,173,622; capital, \$20,000,000; surplus, \$95,853,591, inc., \$6,992,128. Experience:	
	Net Losses
	Prem. Paid
Accident	\$15,679,157 \$3,388,251
Health	641,373 272,468
Group A. & H.	26,940,150 18,578,593
Non-can. A. & H.	30,120 197,916
Auto liability	22,362,965 8,631,233
Other liability	8,409,503 2,568,160
Workmen's comp.	27,950,642 18,044,330
Total	\$101,113,912 \$51,680,953

Virginia Auto Mutual—\$946,111, inc., \$43,429; unearned prem., \$249,069; loss res., \$399,432; capital notes, \$79,843; surplus, \$138,530, dec., \$57,844. Experience:	
	Net Losses
	Prem. Paid
Auto liability	\$ 440,031 \$ 285,613
Other liability	5,685 643
Workmen's comp.	66,596 33,423
Auto prop. damage	192,031 136,378
Auto collision	16,435 5,806
Other P.D. & coll.	3,121 579
Auto fire & theft	7,097 3,050
Total	\$ 732,396 \$ 465,867

World, Neb.—Assets, \$3,945,123, inc., \$1,412,226; unearned prem., \$1,066,532;	
----------------------------------------------------------------------------------	--

loss res., \$372,477; surplus, \$554,538, inc., \$37,380. Experience:

	Net Losses
	Prem. Paid
A. & H.	\$4,230,292 \$ 979,881
Group A. & H.	172,066 111,851
Non-can. A. & H.	63,139 19,616
Total	\$4,465,498 \$1,111,348

Fidelity & Deposit—Assets, \$39,059,941, inc., \$1,536,785; unearned prem., \$11,748,370; loss res., \$3,945,797; capital, \$2,400,000; surplus, \$17,750,506, inc., \$324,873. Experience:	
	Net Losses
	Prem. Paid
Liability	\$ 28,637 \$ 6,718
Workmen's comp.	5,223,373 739,170
Fidelity	4,158,560 77,726
Surety	398,958 172,412
Glass	3,703,978 1,368,096
Burglary & theft	\$13,513,508 \$2,209,361

Philippine Pilferage Problem

WASHINGTON—Stating that the theft and pilferage problem in the Philippine Islands "has been of serious concern," Jerome Sachs, chief of the Department of Commerce insurance division, has released a report from the American embassy in Manila on port conditions there. The report says in part:

"While some importers say that pilferage has declined, insurance men indicate that they have not noticed any marked improvement. Some insurance men feel that the present basic rates of 5% for pilferage insurance and 6½% for overall coverage, with somewhat higher rates on commodities especially susceptible to pilferage, are inadequate.

Hijacking Is Problem

"It is generally agreed by importers and insurance men, however, that the Manila piers are not responsible for more than a proportionate share of the pilferage. Pilferage takes place during the loading of the goods in the United States, on the ships, during the unloading at Manila, on the piers and on the customs brokers' trucks. Hijacking of trucks on Manila streets has been reported from time to time and there have also been occasional instances of hijacking of lighters in Manila harbor.

"An adequate police force and laxity on the part of the courts, which release prisoners on nominal bail even in the case of serious charges, appear to be partly responsible. According to the chief of the harbor police, quoted in the Manila 'Daily Bulletin' recently, there has also been connivance on the part of some members of the Manila police force, although there has not been sufficient evidence to warrant their arrest."

Acme Chair Loss Heavy

The Michigan Inspection Bureau estimates that the physical loss on Jan. 24 at Acme Chair Co., Reading, Mich., may amount to \$200,000. Business interruption loss cannot yet be estimated.

The fire started in an unsprinklered building and spread to some of the sprinklered sections. Collapse of bulk sprinkler piping prevented effective control of the fire by sprinklers. Loss to the buildings involved and contents is practically total. The inspection bureau states that this fire demonstrates how ineffective automatic sprinklers may be under conditions of severe exposure and it emphasizes the value of standard fire walls. Sprinkler control valves should be installed in a location readily accessible in case of fire.

Allow Premises Cover

New Hampshire has amended the nation-wide definition by removing the exclusion of coverage "while in the permanent residence of the insured," as respects the personal property floater and silverware floaters.

The Syracuse (N. Y.) Women's Insurance Assn. is sponsoring a series of 16 lectures on fire insurance with leaders from the insurance field in central New York serving as the faculty.

Auto. Liab. Rates Up 25-50%, P. D. Raised 30-66% in 27 States

(CONTINUED FROM PAGE 17)

that there was 200 million more miles of motor travel in 1946 than in 1941. For the first three quarters of 1946, the claim frequencies were 31%, 43% and 51% over the corresponding periods of 1945, when gasoline rationing was in force.

KY. TO HOLD HEARING

FRANKFORT, KY.—Insurance Director Wilson has set Feb. 26 for a hearing on increased rates on the automobile liability. He said he is not questioning the reasonableness of the increase, but feels that rates should not be advanced without a hearing.

Under a 1946 act the department has

the right to control automobile casualty rates starting next October. However, Director Wilson believes that in the meantime he has authority under other laws to stop any increase pending a hearing. He indicated that he might seek a court injunction to halt the raise, pending the hearing.

Kentucky Agents Protest

A protest was filed last week by the Kentucky Assn. of Insurance Agents. President Sheridan Barnes requested a hearing by the department. Mr. Wilson said he contacted the National Bureau and asked that the increases be held up pending the hearing. He was advised that the bureau already had dispatched the increased rate schedule to local agents and it could not be recalled. The bureau, according to Mr. Wilson, took the stand that the Kentucky department lacks authority to stop the promulgation of the higher rates.

Must Address Cancellation Notice Precisely as Shown in Policy Contract

The provision that a cancellation notice by the insurer, to be effective, must be addressed to the named insured at the address shown in the policy means that there may not be the slightest departure from such address, the Texas court of civil appeals has found in holding for the assured in Gulf vs. Riddle.

The address of the assured in the policy was "N. A. Riddle, Star Route, Holliday, Archer County, Texas." The cancellation notice, however, was addressed to "Mr. N. A. Riddle, Holliday, Texas."

Gulf issued its policy to Riddle, Aug. 23, 1945, and his car was damaged to the extent of \$500 in a collision Oct. 1. Gulf had sent the cancellation notice Sept. 21. Gulf argued that it had complied with the cancellation provision because the address used "was the place referred to as plaintiff's address as stated in the policy."

Should Say "Star Route"

An address on a "star route" the court stated indicated something akin to a rural route out of a town or village, or similar to a given street address in a city.

The court stated it is not concerned here with the general presumption that a letter addressed, stamped and mailed was received by the addressee, but only with a strict compliance with the terms of the contract.

If Riddle had moved away from the address given in the contract and Gulf had complied with its terms, Riddle contracted to assume the risk of receiving such notice and could not be heard to rely upon not having received it.

Strasburger, Price, Holland, Kelton & Miller, Mark Martin of Dallas, represented Gulf, while Smoot & Smoot of Wichita Falls, was attorney for Riddle.

Registered Mail Rates Cut, Cover Broadened Mar. 1

NEW YORK—Registered mail and express rates are being reduced March 1, as to shipments within continental United States, excluding Alaska and between the United States and Canada, excluding Yukon and Northwest Territories. On daily and monthly reporting policies, the new rates will be 4 cents per \$1,000 on negotiable securities and non-negotiable securities not declared for full value, 8 cents on currency and 1 cent on non-negotiable securities declared for full value, with a 100% increase for air mail shipments.

On annual policies, the new rates will be 6 cents on money and negotiable securities and 12 cents for air mail, and 5% of these rates on non-negotiable securities declared for full value. Minimum premium will remain at \$5 annually.

Policies are also being broadened to cover until the property is delivered to the addressee, his agent, representative or member of his household and to protect shippers and consignees against theft by employees of senders or addressees, the latter being excess over other insurance or suretyship. Another change will be an option to replace lost stocks, bonds and rights up to 105% of the amount declared for insurance, provided the full market value as of the day of shipment has been declared. This will protect insureds against loss through an advance in the market price of lost securities.

Snow Tells Pittsburghers U. & O. Loss Up Since Peace

(CONTINUED FROM PAGE 1)

"profit" by deducting from the net sale value of production the cost of materials and supplies entering into the goods produced and the direct or manufacturing labor, and exact practices here are not uniform. The definition of "gross earnings" in the business interruption form is different, defining it as the total sales value of production through use of the described property, less the cost of raw stock from which the production is derived.

There has been some criticism of the gross earnings for manufacturing risks, Mr. Snow said, because it does not specifically state that consideration shall be given to continuation of normal charges and expenses, including payroll, although there was no intent that payroll should be excluded. He predicted that eventually a specific statement to this effect will be incorporated in the form.

Phila. Society Banquet

Air safety still must depend on the skill and care of pilots, mechanics and meteorologists, William Patterson, president of United Air Lines, told the Insurance Society of Philadelphia at its annual banquet.

"Although we are experimenting with radio ground control of an automatic pilot to bring a plane into landing position under low ceiling," he said it will be three to five years "before we are ready to use the system commercially so that air travel will be as regular in all weather as surface transportation."

Mr. Patterson noted that in spite of 60 crashes throughout the world in the past 20 days regularly scheduled domestic lines carried 13 million passengers in 1946 with 28 fatalities.

J. M. Haines, general attorney of Phoenix London, who was toastmaster, said in introducing Mr. Patterson that United has had no fatalities since 1942.

Samuel Potter, president of the society, reviewed some of its accomplishments.

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Dineen Asks Auto B. I. and P. D. Security Fund

(CONTINUED FROM PAGE 17)

closely to determine whether the present rate levels once they become fully effective will counteract the adverse trend and provide rates which will maintain company solvency without overcharging the public.

N. Y. Practice Differs

"The practice followed in New York State in connection with the making of rates for automobile bodily injury and property damage differs from that followed in a number of other states. In many states there is intense competition among insurers as to rates and for practical purposes the rate structure is determined by competitive considerations. In this state, under Article VIII of the insurance law, insurers are permitted to make rates in concert under the jurisdiction of the superintendent of insurance. Utilizing the provisions of the law, all companies writing this type of insurance in New York state, both stock and mutual, pool their information and establish a uniform rate. What price competition exists is produced by the payment of dividends by mutuals and participating stock companies and by one company which, with the permission of the superintendent, deviates from the established rate. The essential fact is that, with a single exception, all companies writing this form of insurance in New York state charge by agreement the same initial rate, a situation which places a heavy responsibility upon the superintendent, who stands between these price-fixing combinations and the public."

Curtis W. Pierce, president of F.I.A. and N.F.P.A., has been elected director of American Standards Assn. Wallace Falvey, executive vice-president of Massachusetts Bonding, has left the board upon expiration of his term.

Auto 1946 at \$1

In the Insurance edition, for insurance on an automobile, estimated.

This is because to come to a decision on the basis of the 15% on the ability of the automobile.

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Auto B.I.

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Small Truck

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This month terrific

Auto. Loss for 1946 Estimated at \$150 Million

In the editorial, "Why Automobile Insurance Rates Have Gone Up," in this edition, the statement is made that insurance companies last year suffered an underwriting loss in 1946 on their automobile insurance conservatively estimated at \$150 million.

This is a very rough approximation, because the figures are just beginning to come in, but it is believed to be decidedly on the conservative side. The aggregate underwriting loss, according to the best informed guesses, for 1946 will prove to be not less than 10 to 15% on automobile bodily injury liability and not less than 40% on automobile property damage liability and automobile collision.

Assuming that the premiums earned in the aggregate in 1946 will be somewhat equal to the premiums written in 1945, these guesses as to the proportion of underwriting loss were applied against the 1945 automobile premiums written as reported in THE NATIONAL UNDERWRITER Automobile & Aviation Number.

Auto B.I. \$341 Million

The total automobile B.I. premiums written in 1945 by all types of insurers was about \$341 million. Assuming that the earned premiums for 1946 will be no greater than that and applying an underwriting loss factor of 10% would produce an aggregate underwriting loss of \$34 million which is believed to be well under what the final results will show.

The total of automobile property damage premiums for all types of companies in 1945 was about \$130 million and a 40% underwriting loss on such a volume of earned premiums would total \$52 million.

The motor vehicle premiums of all types of fire insurance companies totaled about \$196 million. In the annual report the fire companies don't break down their motor vehicle premiums as between fire, theft and comprehensive and collision, but it is said that about 60% of the premiums are from the collision account which would mean a total of about \$127 million of collision premiums, and assuming a 40% underwriting loss that would give a total of \$50 million on the red side.

In addition to that there are the collision premiums of casualty companies and full cover auto insurers that aggregated about \$61 million. Underwriting loss of 40% on that business would produce an aggregate of \$24 million.

All of these assumptions are believed to be highly conservative. The percentage of loss will probably turn out greater than these assumptions and the earned premium will probably be considerably greater than the figures that were used in this rough analysis.

Small Liability Limits on Truck Which Burned Train

The oil trucker who may be held liable for the recent wreck of Southern Pacific's San Joaquin Daylight at Kingsburg, Cal., is understood to have carried comparatively small limits of liability in Transport Insurance Exchange, a Los Angeles reciprocal.

Adjustment is being made for Railway Underwriters by Western Adjustment through William Heintz of Chicago, who places fire damage to the railway equipment at \$250,000.

The truck was the property of Friess-Hansen & Co. of Fresno. There is considerable likelihood that the railroad and the injured passengers will enter suit against the insured truck owner for negligence on the part of the oil truck driver.

This is the second accident this month on the Coast to demonstrate the terrific amount of damage which ex-

ploding oil trucks can cause, and the need for high limits on them. Recently two oil trucks collided on a bridge spanning the Washougal river at Vancouver, Wash. The heat was so intense that it buckled the bridge collapsing it into the river.

U. S. Chamber Group Scans Social Insurance Scene

WASHINGTON—Subcommittee reports on health insurance and other social insurance problems were referred back to subcommittees, at a meeting of the U. S. Chamber of Commerce social security committee. There was discussion of the cash sickness benefit proposal in New Jersey and whether the policy of the chamber on the subject is realistic or should be restated or revised.

R. A. Hohauser, Metropolitan Life, reported on old-age and survivors insurance. There was discussion of a Senate plan for an expert committee to investigate various phase of social security.

The new Taft-Ball-Smith-Donnell bill to coordinate the health functions of the federal government in a single agency, expand the government's health service, etc.

Other subjects on the agenda were phases of the President's economic report dealing with social security and the railroad retirement act revision of last summer and what should be done about it.

The committee meeting was attended by Rollin Clark, Continental Casualty; M. Albert Linton, Provident Mutual Life, and Carl Jacobs, Hardware Mutual Casualty, representing insurance interests.

Glen C. Webb, Jr., Now Officer of Lima Agency

Glen C. Webb, Jr., has been elected assistant treasurer and secretary of Webb Insurance Agency of Lima, O. His father, Glen C. Webb, is president and treasurer and Glen Webb's brother, E. Perry Webb, is executive vice-president.

Glen Webb, Jr., has an engineering degree from Purdue. He is a graduate of the U.S.F. & G., casualty school and is now finishing his business administration course at Harvard and will soon have his master's degree there.

He served four years in the navy and received his honorable discharge from the U.S.S. Flint at Seattle.

The Webb agency is one of the largest local agencies in the middle west.

Outlines Orlando Fire Methods

At the Florida Field Conference monthly meeting at Orlando, M. G. Bennett, Orlando fire chief, described the system which has won national recognition for his city and reduced the dollar fire loss from \$83,713 in 1945 to \$24,550 in 1946.

The chief said that of major importance was the installation of a four-way radio communication system on all equipment and at all stations. The equipment responding to a fire in its district reports immediately upon reaching a fire the extent and additional equipment needed. This prevents superfluous equipment leaving the station. In case additional equipment is needed, advice is given as to which hydrant will be used. All equipment is timed from leaving the station until the fire is reached and a record is made of this.

Through fire prevention education and aided with a committee of citizens, Chief Bennett said the number of fires were reduced from 686 in 1945 to 544 in 1946. It was through his efforts that

Orlando, a city of 70,000, passed an ordinance dividing the city into two fire zones, eliminating any frame construction in the congested zone.

Lederer Gives Views to House Body

WASHINGTON—That public law 15 "tends to prevent" aviation insurance interests "from exchanging insurance information of any kind," was testified by Jerome Lederer of Aero Insurance Underwriters, at a hearing before the House interstate and foreign commerce committee investigating airplane accidents and safety problems.

The statement was brought out by a question of a committeeman whether Aero exchanged information with respect to undesirable risks with other aviation insurance groups. The reply elicited a remark from the committee chairman, Rep. Wolverton, New Jersey, that this matter might be looked into.

Despite a number of recent plane accidents, Mr. Lederer said that airline safety is improving rather than deteriorating.

He discussed human factors in connection with aviation accidents in order to show the need for Congressional support and appropriations for aviation research, with a view to reducing fatigue, emotional stress and the attitude of pilots and others as causes of accidents.

Fires, emergency exits of planes, and other problems were discussed by the witness, who also recommended improvements of existing regulations in respect to emergency procedures. In response to a question he said that for reasons of safety the promotion of pilots should be "predicated on ability rather than seniority."

Confer on Auto Rates in Ala.

A conference was held in Montgomery, Ala., between a number of leaders of the Alabama Assn. of Insurance Agents and T. O. Carlson, actuary National Bureau of Casualty & Surety Underwriters, on automobile insurance.

Mr. Carlson reported loss ratio of bureau companies in Alabama on property damage coverage on private automobiles in 1945 exceeded 135. This brought the conclusion of the bureau's committee that there would have to be a substantial increase in rates in Alabama.

A number of local agents present expressed the view that on the basis of the experience on the coverage in their own offices, the increase would be justifiable, but some, having in mind their own favorable experience, were surprised to know of the high loss ratio generally experienced.

New F.C.A.B. Office at Enid

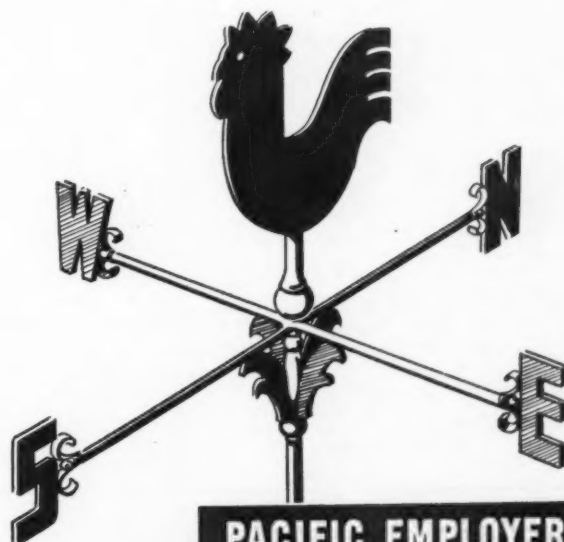
Fire Companies Adjustment Bureau has opened an office at Enid, Okla., with L. A. Ramsey as manager. He has been with F.C.A.B. for three years and before that was in charge at Emporia, Kan., for Western Adjustment.

Callaghan to Brokerage Firm

Philip P. Callaghan, former city special agent for Fireman's Fund in San Francisco and with that organization 23 years, has resigned to become associated with the brokerage firm of French & St. Clair. He will handle fire business.

Louis M. Garner, local agent, has been elected president of the Memphis Barb Wire Club, an organization of ex-service men who were prisoners of war. The club has 28 members, including several other insurance men.

COAST TO COAST



**PACIFIC EMPLOYERS
INSURANCE COMPANY**

VICTOR MONTGOMERY, President

HOME OFFICE



LOS ANGELES

NEED INTERSTATE TREATMENT

Heinrich Urges Overall Retrospective Rating

PITTSBURGH—In his talk at the casualty educational forum at Pittsburgh Insurance Day, W. J. Heinrich, New York, assistant compensation and liability manager National Bureau of Casualty & Surety Underwriters, urged the development of interstate rating and predicted that eventually overall retrospective rating, taking in workmen's compensation, public liability and automobile liability insurance, will be authorized. He said that both prospective and retrospective rating on this basis is permissible under the model rate bill of the National Assn. of Insurance Commissioners and the all-industry committee, provided it is done according to an established rating plan.

Although admitting that the war projects rating plan is not practical for peace-time commercial operations, Mr. Heinrich said that this plan was a most important development, as it demonstrated that large risks can be successfully rated on an interstate and interline basis. He suggested that permanent plans should be offered only for very large risks, with a minimum annual premium of about \$5,000.

Present Status

Some interline retrospective rating is now done, Mr. Heinrich said, but the multiplicity and variation of state requirements make the situation unsatisfactory. Compensation rates are regulated in most states, but retrospective plans are permitted in most of them. Where automobile and general liability rates are not regulated, premium adjustments are made on these coverages to produce the overall effect. If a risk operates in several states, with variations where coverages are regulated, the whole procedure becomes most com-

plicated and the advantages of a universal interstate and interline rating plan are obvious.

After describing the present retrospective plans for compensation rates, Mr. Heinrich said that the U. S. Supreme Court has held insurance to be interstate commerce and therefore should in justice be subject to interstate rating. He added that he hopes state regulatory authorities will keep this in mind in administering rate laws.

Form D. C. Claims Council

WASHINGTON.—Washington Claims Managers Council was organized at a meeting attended and addressed by Wayne Merrick, manager Assn. of Casualty & Surety Executives claims bureau.

L. H. Harley, Travelers, was elected president; Frank W. Glenn, Lumbermen's Mutual Casualty, vice president; Paul Kelley, Aetna Casualty, secretary.

Mr. Harley said about 20 men here are eligible for membership. Monthly meetings will be held beginning in March.

Mr. Merrick also addressed a Washington Claims Men's Assn. meeting.

Dewey Dorsett, general manager Assn. of Casualty & Surety Executives, was here this week on association business.

Sweet Honored at Pittsburgh

Edward D. Sweet was honored at a testimonial dinner given by employees of the Pittsburgh office of Massachusetts Bonding. Mr. Sweet has been resident manager at Pittsburgh since 1936 and he resigned early this year to purchase the Fred G. Schaefer general agency of Pittsburgh.

Mr. Sweet and Mr. Schaefer opened the Massachusetts Bonding Pittsburgh office 11 years ago, and Mr. Schaefer resigned in 1940 to establish his own general agency. He is resigning because of illness but will remain in the agency devoting his time to inside work.

Mr. Sweet is past president of the Casualty & Surety Assn. of Pittsburgh and is a director of the Insurance Club of Pittsburgh.

Del. Company's Polio Policy

North American Mutual of Wilmington, Del., has brought out a polio policy at \$3 per person per year. It provides cash benefits up to \$1,300, hospital expenses, doctor bills, special nurse and iron lung each up to \$500, medicine and drugs and orthopedic appliances, each up to \$200, ambulance up to \$50 and emergency transportation up to \$250.

New Cleveland Company

Mid-Western Indemnity of Cleveland has been incorporated at Columbus by Wilbur E. Benoy and A. M. Sebastian of Columbus and James A. Weyer of Cleveland. It will write a general casualty business and have 2,000 shares of stock valued at \$50 a share.

Automatic Cover Clause Construed

Illinois National Casualty lost a decision in the U. S. 7th circuit court of appeals in a case involving construction of the clause dealing with automatic insurance for newly acquired automobiles. The case was Hoffman vs. Illinois National Casualty.

Illinois National on March 20, 1943 insured a Ford tractor belonging to Hoffman, which he used to make daily trips with livestock to Chicago.

On April 1 the tractor was involved in an accident and was not thereafter used by Hoffman. He made claim for the damage. On April 9 he purchased another Ford tractor. On April 12 the claim for damage to the first tractor was settled and Hoffman said nothing about having purchased the second vehicle. He said only that he didn't know whether he wanted to repair the damaged tractor or trade it in on a new one. On April 16 the second tractor was involved in an accident in which Quincy Brown was killed.

Resembles Standard Clause

The Illinois National provision for automatic insurance resembles rather closely the provision in the standard policy.

Illinois National insisted that Hoffman did not intend the second tractor to replace the first one and that even if he did, before it could be said that the policy covered the second tractor, he had to notify the insurer of the purchase of the second one and request that the insurance be transferred. The court held, however, that the provision is expressed in the broadest terms, and is for the benefit of the insured. It provides him with coverage whenever he acquires ownership of another automobile as of the date of its delivery to him. If the newly acquired automobile replaces one described in the policy, it expressly provides that the insurance terminates upon the replaced automobile on the date of the delivery of the new one.

The court said that it is clear that when the first tractor was wrecked and the second one was acquired and used in its place, a reasonable person in such a situation, from the language used, would have reasonably assumed that all coverage with respect to the first tractor was terminated and that the policy, without notice, was automatically transferred as of the date of the delivery of the second tractor for a period of 30 days to the newly acquired tractor.

This decision affirmed the judgment of the lower court. Harry E. Vernon of Goshen, Ind., was attorney for Hoffman, while George F. Stevens of Plymouth, Ind., represented Illinois National.

Lawlor in New Connection

Ray L. Lawlor, well known investigator and adjuster, who in January, 1945, established the firm of Ray W. Lawlor, Inc. an independent adjusting organization in Cedar Rapids, Ia., is eastern representative of the Crocker Claim Service of Omaha through which its casualty business now clears. The office, located in the Higley building, Cedar Rapids, is associated with Barnes, Chamberlain, Hanzlik & Wadsworth, prominent Cedar Rapids insurance law firm, but operates independently, handling adjustments and making investigation for trial cases. The Lawlor organization also handles fire adjustments and has an associate office in the City National Bank building, Omaha.

Frank R. McMath, a broker with F.D. Hirschberg & Co., St. Louis, has been awarded the Silver Beaver of the Boy Scouts. Thomas R. Collins, who also brokers his business through that agency, won his Silver Beaver four years ago.

Report on Cover on U. S. Vessels Privately Chartered

WASHINGTON, D. C.—The Maritime Commission reports that insurance protection was obtained last year for more than 800 government vessels chartered to private operators, which protection "was reviewed and processed by the commission."

June 30, 1946, the report says, approximately 500 mortgaged and chartered vessels were being privately operated and insured with commercial underwriters.

Insurance processed in connection with these operations and the proportions of it, American and foreign, are given in the report in round numbers as:

Marine hull, \$445,372,000, of which 60% was American, 40% foreign; \$438,126,000 marine P. & I., 87% American, 13% foreign; \$357,779,000 war risk hull, 40% American, 60% foreign; \$178,051,000 war risk P. & I. & crew, 30% American, 70% foreign.

The commission reports collection of insurance premiums, loss recoveries, etc., in the fiscal year ended June 30, last, was \$1,376,062, while disbursements on insurance claims, returned premiums, etc., were \$2,100,000.

Would Remove Wrongful Death Limit in Oregon

Two bills providing removal of the \$10,000 limit for wrongful death have been passed by the Oregon senate. The bills are sponsored by Senator Carson.

The Oregon agents' association is opposing the measure on the grounds that it will promote further hikes in automobile rates.

Klieber to Indiana

Nicholas Klieber, state agent at Peoria of Royal-Liverpool, has been transferred from central Illinois territory to Indianapolis as state agent, where he will have a portion of the state of Indiana. His headquarters will be in the Chamber of Commerce building. Mr. Klieber succeeds C. L. Rosenow who resigned to become state agent in Indiana of Phoenix of Connecticut.

Reid N. J. Special Agent

Scottish Union and National have appointed Robert Reid as special agent in New Jersey to assist State Agent J. A. MacKechnie, Jr.

Mr. Reid has been for a number of years with Springfield F. & M. He will have headquarters at 31 Clinton street, Newark.

Cartwright Handles Rating

In connection with the change in the insurance supervisory setup in Alabama, R. N. Cartwright continues as deputy superintendent in charge of bureau of rates, which was established under a 1945 law. He had been the acting insurance superintendent. The new superintendent is Leslie L. Gwaltney.

R. V. Robinson, who retired Jan. 1 as marine manager at Chicago for North America, is now sojourning at Glendora, Cal. He has been polishing up his golf game in competition with Roy McWethy, local agent from Aurora, Ill. Mr. Robinson expects to remain in California until about June 1 and then plans to go to his native England for a year.

Fred C. White, retired vice-president of Hartford Fire, is now hobnobbing at Ft. Lauderdale, Fla. with Clem E. Wheeler, retired western associate manager of Hartford. Mr. White had intended to go to Ft. Lauderdale earlier but in December he fell and suffered a fractured shoulder. This mended nicely but it delayed his winter plans.

Cal. Compulsory Assigned Risk Bill Is Signed

LOS ANGELES—Governor Warren has signed the new assigned risk bill which requires that automobile insurers shall apportion automobile public liability and property damage in cases where the applicant has been unable to secure coverage from any individual carrier. The bill was declared an emergency measure and is effective immediately. It was enacted to replace the voluntary agreement among carriers which has been in force for a number of years and which was endangered by the withdrawal of California State Automobile from participation in the agreement. The plan, to become effective under the new law, sioner.

Indict Kenneth Romney

WASHINGTON—Kenneth Romney, former sergeant-at-arms of the House and who was bonded by Great American Indemnity for \$50,000, has been indicted by a grand jury investigating shortage of some \$122,000 in his former office. The charge is making false statements in his accounts.

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Mich. Progr

DETROIT will discuss the Industrial session of Michigan here Feb.

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Mich. Mid-Year Program Announced

DETROIT — Commissioner Forbes will discuss "The Major Problems of the Industry" at the first general open session of the mid-year meeting of the Michigan Assn. of Insurance Agents here Feb. 26.

The three-day session, however, will get under way formally the day before when the executive committee, with Walter B. Cary, president of the association, presiding, and the laws and legislation committee headed by M. Frank McCaffrey, are scheduled to meet.

Preliminary registration indicates an attendance of around 500.

Following Commissioner Forbes' address, an open discussion on agency costs and operation will be held with Austin Jenison of Lansing, Joseph W. Mundus of Ann Arbor and Trudeau DeJardins of Lapeer acting as moderators.

The second-day session will close with a banquet at which Governor Sigler, Commissioner Forbes, Mildred Johnson, president Insurance Women of Toledo and Naomi Dawson, president of the Insurance Women's Club of Detroit will be guests of honor. Virginia C. Parsons, Taylor Publishing Co., Indianapolis will speak.

The final day's program will feature in the morning a meeting for agents only at which will be discussed important agency and local board matters. Alfred I. Dreifus, Detroit; Eugene N. Houck, Lansing; M. Frank McCaffrey, Detroit; Charles A. Boyer, Manistee, and Harry V. Wilson will be the moderators.

Afternoon talks will include: "Facts and Fancies about Public Law 15," by Roger Genney, Boston, insurance editor "United States Investor"; and "Your National Association" by Guy T. Warfield, Jr., Baltimore, president of N.A.I.A.

Texas Bill Would Allow Mutuals in Surety Field

Seate bill 109 in the Texas legislature would permit mutual companies to write fidelity and surety bonds.

Senate bill 40 defines "injury" or "personal injury" to include occupational diseases, and provide benefit payments under workmen's compensation.

New Houston Agency

Marion S. Moore, who has spent his entire business life with Maryland Casualty, has established the Main Insurance Agency at Houston. He was formerly assistant manager at Detroit and then manager at Cincinnati. He saw navy service in the south Pacific. He retired from service with the rank of commander.

Florida Driving Schools

More than 130 high school teachers, school administrators and Girl Scout officials of nine central Florida counties received instruction in how to teach driving safety in teacher training institutes at Orlando and Clearwater. The three-day institutes were conducted by the public schools departments in co-operation with National Conservation Bureau, Assn. of Casualty and Surety Executives.

Harold R. Danford, director of the education division, was in charge of instruction. Julien H. Harvey, managing director, spoke to Orlando teachers on "The Layman's Point of View Regarding Driver Education."

A similar teacher training institute was conducted by Mr. Danford at Buffalo shortly before the Florida meetings. Other cities where teachers will review driver education in the near future include Boston, Syracuse and Millersville, Pa. In New York City, Girl Scout officials attended training institute at the New York University center for safety education.

Hearing Held on Mass. Bill to Admit Reciprocals

BOSTON—An act to admit reciprocals to Massachusetts was given its annual hearing before the legislative insurance committee. Floyd Jacobs, counsel for the reciprocals, appeared for a new bill which he contended met all the requirements now imposed on mutuals in Massachusetts, with additional safeguards, and which was supported by counsel for the American Mutual Alliance and New England Mutual Fire Insurance Assn.

Mr. Jacobs presented a new argument to the effect that "if Massachusetts continues to exclude reciprocals, this may well be one of the pegs upon which Congress will hang its action in taking over exclusive regulation of insurance as a result of the S. E. U. A. decision."

He declared 43 states, the District of Columbia, and the Dominion of Canada, now license reciprocals and there is a sinister danger of federal regulation if Massachusetts does not follow suit. Personally he declared he had rather submit to state regulation than bureau regulation from Washington. A number of Boston mercantile firms were recorded in favor of the bill.

Commissioner Harrington said he was in favor of the bill, with reservations, of which he had several, all to the effect that the proposed bill should conform more strictly to the mutual requirements. He especially objected to permission for reciprocals to reinsure in London Lloyds, which is not admitted to Massachusetts as that would constitute an advantage over domestic stock and mutual companies. He also was insistent on more stringent agency-license requirements. The commissioner would also compel the reciprocals to secure 400 risks to write fire and sprinklered lines, as required of mutuals, whereas the bill called for but 100 risks. He also objected to some of the provisions in the new bill relating to non-assessable business.

One or two members of the legislative committee were outspokenly critical of the commissioner for his insistence on some of the details of his amendments and said "he should try to be a little more helpful."

Mass. P.G. to Enter Ohio

Massachusetts Plate Glass of Boston has decided to seek admission in Ohio, upon securing a proper state agent. At Dec. 31, 1946, its assets were \$516,432 and surplus to policyholders \$361,549.

The Oklahoma insurance board approved a permit for dissolution of Comanche Mutual Hospitalization Corp., Comanche, Okla.

Another Bad Bump for R. R. Line

The Pennsylvania Railroad Detroit-New York train, the "Red Arrow," which plunged off the tracks near Altoona, Pa., Tuesday morning killing an estimated 20 persons and injuring 117, is believed to be uninsured, as to physical damage. Public liability on an excess basis is carried with Lloyds through Marsh & McLennan.

Five cars and two locomotives of the 14-car train ran over a steep embankment, two others were turned over and three others left the tracks but were not seriously damaged.

Wis. Legislation Review at Milwaukee Board Dinner

MILWAUKEE — Warning against the indifference on the part of many local agents and others in the insurance business bills that will affect their interests, Urban Krier, executive secretary Wisconsin Assn. of Insurance Agents, addressed the Milwaukee Board on proposed Wisconsin insurance legislation. Members of the executive committee of the state association, members of the Milwaukee County Board of Casualty & Surety Underwriters and Wisconsin field men were guests.

Insurance-wise the 1947 session of the Wisconsin legislature in the most important in the history of the business.

Mr. Krier reviewed the qualification bill sponsored by the state association and which the assembly insurance and banking bill has voted to introduce in this session. He also reviewed the fire rating bill drafted by the department which fits provisions of the all-industry bill into present Wisconsin statutes and the multiple peril bill which would standardize form for special risks.

N. Y. Examination Schedule

NEW YORK—The New York department has announced the complete schedule of examinations for the balance of the year for all types of agents and adjusters. Examinations will be held in Albany, Buffalo, Rochester, Syracuse, and New York City. Detailed information may be obtained from the department.

Ia. Responsibility Bill

DES MOINES—The lower house of the Iowa legislature has passed by a vote of 103 to 1 a financial responsibility act which would require a motorist involved in an accident involving \$50 damage or personal injury to guarantee liability or lose his driver's license until the case is settled.

Traffic Law Enforcement on Coast Brings Results

Automobile underwriters are following with close interest the traffic law enforcement campaigns that are being conducted at Los Angeles and Seattle. In the latter city the enforcement is particularly uncompromising. On the slightest infraction, the motorist is hauled up and drunken drivers are getting five-day jail sentences in wholesale fashion. Highly placed persons, as well as ordinary individuals, are being made familiar with the pokey. Jay walking and crossing against the light gives the offender a ticket to a three hour evening lecture on safety. The second offense costs \$5 and the third \$10.

As a result there has already been a decided improvement in the insurance experience and underwriters say that today Seattle city business is preferable to Seattle suburban, whereas in the past the latter has been much preferred.

Jacobsen Is Optimistic

Fred Jacobsen, superintendent contract bond department of Continental Casualty, in an article in the Chicago "Construction News" on construction prospects for 1947 directs attention to the fact that 1946 was a record year in spite of damaging labor disputes and misunderstanding of management. He said that there was a volume of construction topping \$10 billion which was only the beginning for 1947.

On the future of home construction Mr. Jacobson suggested there are many encouraging signs on the future of increased production. He said: "Hard to get merchandise and materials are again appearing, which with steady production will stabilize prices and once again sound construction will be under way. Having figured costs, a fair profit for their efforts, contractors will again with reasonable safety be able to offer the public a lump sum price, which is badly needed to encourage construction and sound economics. With gradual lifting of the remaining war restrictions, private capital will be willing to embark on a program of long term sound investments."

He indicated that more than 1 million housing units need to be begun this year and that more favorable employee-employer relationships are developing.

Irby-McKinney Air Agency

Southeastern Aviation Underwriters, Inc., Managers, has been formed by the Irby-McKinney general agency to handle all forms of aviation insurance in the Trust Co. of Georgia Building, Atlanta. Companies represented are Ohio Casualty and Ohio. James E. Tumath and R. D. Wallace are operating managers. The office is specifically designed to serve agents and brokers. It will be equipped to handle its own claims and self-sufficient in every respect.

Croland Group Disability Leader

William H. Croland, manager of group department of C. J. Simons & Co. of Newark, general agents of Continental Assurance, was the largest producer of group disability insurance for Continental in 1946 and becomes president of the company's "Million Dollar Group Club."

Mr. Croland has been with the Simons agency since 1941 and began the development of group disability business in 1943. Frank H. Moore of the Simons agency, its accident & health department manager for three years, has recently joined Mr. Croland to aid in the development of group disability.

Philip C. Jackson, president Birmingham Assn. of Insurance Agents, spoke at a meeting of the Insurance Women of Birmingham, recognizing the value of insurance women today and how they have improved their service. Mrs. Josee Dean, the new president, presided.



"I'M COVERED FOR MONEY THAT DISAPPEARS — AND MY MONEY CERTAINLY DISAPPEARED."

Losses on Private Planes Soar as Green Pilots Stunt

With the loss ratio on private aircraft at about 150% of premiums, labor costs on repairs of damaged planes having risen from \$2 to \$3.50 an hour, increased rates are thought to be in the offing. The number of civilian pilots has nearly doubled in two years. Insurers are backing campaigns to cut down on low and reckless flying which causes about 50% of fatal accidents in private planes. The Pennsylvania aeronautics commission, for example, got 62 convictions on civilian pilots for low and reckless flying in 1946.

Insurers say that the number of private plane crack-ups is about 20% greater than the number reported to the Civil Aeronautics Administration which says that there were 641 fatal and serious accidents in 1945, 41% of them caused by low and reckless flying or by student pilots. The increase in this type of accident is 113% beyond 1944, according to recent CAA report.

Of 91 private plane accidents investigated in 1946 by the Pennsylvania aeronautics commission there were 36 fatalities, 17, or nearly 50% of them caused by low and reckless flying.

Convention Dates

Feb. 25-26, Michigan Agents, midyear, Book-Cadillac Hotel, Detroit.

March 10-11, Fire Underwriters of the Pacific, annual, San Francisco.

March 14, Missouri Agents, midyear, Tigger Hotel, Columbia.

March 19-20, Alabama Agents, midyear, Jefferson Davis Hotel, Montgomery.

March 27-28, Minnesota Agents, midyear, St. Paul Hotel, St. Paul.

March 31-April 2, National Assn. Mutual Agents, midyear, Miami Beach.

April 7-9, Blanks Committee, N.A.I.C., Commodore Hotel, N. Y.

April 11, Chicago Insurance Day, Palmer House, Chicago.

April 11, Rhode Island Agents, midyear, Providence Biltmore Hotel, Providence.

April 11, Ohio Assn. A. & H. Underwriters, annual, Columbus.

April 15-16, Western Underwriters Assn., annual, Asheville, N. C.

April 21-25, National Assn. Insurance Agents, midyear, Skirvin Hotel, Oklahoma City.

April 23, Oklahoma Agents, annual, Skirvin Hotel, Oklahoma City.

May 1-4, North Carolina agents, annual, Carolina Hotel, Pinehurst.

May 5-6, American Management Assn., insurance conference, Hotel New Yorker, N. Y.

May 5-6, New York agents, annual, Syracuse.

May 6-8, National Fire Prevention Conference, Washington, D. C.

May 15-17, Insurance Accounting & Statistical Assn., annual, Chicago.

May 15-17, Texas Agents, annual, Galveston.

May 25-29, National Fire Protection Assn., annual, Chicago.

May 26-29, H. & A. Underwriters Conference, annual, Paxton Hotel, Omaha.

May 29-30, South Carolina Agents, annual, Ocean Forest Hotel, Myrtle Beach.

June 1-4, National Assn. Insurance Commissioners, annual, Haddon Hall, Atlantic City.

June 17-19, Illinois Fire Underwriters Assn., annual, Lake Wawasee, Ind.

June 18-20, National Assn. Insurance Women, annual, Commodore Hotel, N. Y.

June 26-28, Virginia Agents, annual, Hotel Roanoke, Roanoke.

Aug. 4-6, Washington Agents, annual, Davenport Hotel, Spokane.

Sept. 9-11, Iowa Agents, annual, Des Moines.

Sept. 15-17, International Claim Assn., New Ocean House, Swampscott, Mass.

Oct. 6-8, Grand Nest Blue Goose, Miami, Fla.

Oct. 13-17, National Assn. of Insurance Agents, annual, Haddon Hall, Atlantic City.

Oct. 23-25, National Assn. of Mutual Agents, annual, Cleveland.

Oct. 27-28, Wisconsin Agents, annual, Hotel Pfister, Milwaukee.

Nov. 17-18, California Agents, annual, San Diego.

American Surety Holds Sales Rally at Chicago

American Surety group is conducting a sales promotion conference this week at the Union League Club, Chicago. Sales promotion men numbering 28 from Chicago, Denver, Des Moines, Indianapolis, Louisville, Milwaukee, Minneapolis, Omaha, St. Louis and Salt Lake City are attending. The conference is under the direction of George F. Ainslie, Jr., manager agency and production department; A. H. Edwards, sales promotion manager; L. C. Johnson, educational director, and Robert DeGray, manager inland marine department.

Williams at Joint Meeting

Ben H. Williams, superintendent of agencies, central division of Mutual Life, spoke on "The Guy in the Glass" at a joint meeting of the Life Underwriters Assn. of St. Louis and Accident & Health Underwriters Assn. there.

Ladd Leaves F. & D. Post

Don M. Ladd has resigned as manager for the Fidelity & Deposit at Los Angeles to go with the local agency firm of Bonner-Campbell.

Form United Casualty

United Mutual of Cedar Rapids, Ia., has organized United Casualty of that city. Officers include: Scott McIntyre, president; Harvey Lunch, vice-president; Fred M. Hagen, secretary, all of Cedar Rapids. Capital stock is \$200,000.

Tighten Responsibility Act

LANSING, MICH.—Tightening of Michigan's financial responsibility law to provide that any driver who defaults on a property damage judgment shall lose his driving privileges is sought in a bill introduced by Sen. Hamilton, Battle Creek, chairman of the senate insurance committee.

The present law requires the posting of an insurance policy or bond in accident cases in which a driver is found at fault and failure to provide such coverage means revocation of driving privileges. But the present law is not operative, as to penalty provisions, in property damage cases unless an unpaid judgment arising out of an accident amounts to \$50 or more. Hamilton's bill strikes out the \$50 limitation, making the penalty apply whenever any judgment goes unpaid. The bill has been referred to the judiciary committee.

Agents Aid Fire Prevention

DALLAS—President George F. Cox of the Dallas Insurance Agents Assn. appeared before a called meeting of the Dallas Fire Prevention Council to pledge the support and cooperation of the fire insurance agents in fire prevention work. "With more than \$1 million carry-over loss from 1946 that will be paid this year, Dallas already has a normal year's loss and unless we can hold fire losses to the minimum the rest of 1947, we will suffer a severe penalty in 1948," Mr. Cox said.

The Fire Prevention Council will award a trophy to the member of the agents association having the lowest loss ratio in his fire insurance business for 1947, Chairman T. L. Yeargan has announced.

Pa. Cold Storage Ruling

Commissioner Malone of Pennsylvania has issued a ruling permitting the insuring of contents of cold storage lockers under inland marine forms.

Charles R. Gambill, regional auditor for Liberty Mutual in Atlanta, addressed the Louisville chapter of National Assn. of Cost Accountants in "Insurance Savings and Their Relationship to Accounting Costs."

Cyril R. Gladden has become a partner in the Vanatta agency, Mt. Pleasant, O.

Midwest Buyers Take Veiled Stand Against Model Bills

A "contribution" of \$250 was voted to Risk Research Institute by the Midwest Insurance Buyers Assn. at the annual meeting at Chicago Tuesday. The money is awarded to the institute "for their work." However, in effect the midwest group thus gives nominal support to the legislative activities of the eastern buyers, especially in the realm of P. L. 15.

Last year the midwest association voted down a motion to affiliate with Risk Research Institute, and cannot do so now without a change of by-laws. The discussion Tuesday evidenced general approval of the stand of Risk Research against the model bills of the all-industry committee, and W. W. Clement, executive secretary of the institute, was praised for his activities.

The motion to help the institute was brought up at the last minute of the business meeting and met with immediate approval.

E. T. Berquist, Pure Oil Co., was elected the new president succeeding Marvin G. Erickson, Quaker Oats. Arthur Murray, Container Corp., is vice-president, and Gordon F. Purtell, American National Bank is treasurer. Miss Margaret Gabel, Certain-teed Products Co., was reelected secretary. Elmer Abendroth, Carnation Milk Co.; H. R. Lane, Marshall Field Co., and Mr. Murray were named directors.

Audit Chicago Insurers

Chicago Mutual Plate Glass had assets at May 31, 1946 of \$56,032 and surplus \$52,087 according to the report of an examination released by the Illinois department. C. O. Kuehne is secretary. It writes only in Cook county. Its rates are 15% below manual and commissions of 35% are paid. Premiums written during the first five months of 1946 were \$2,595 and losses were \$1,020, salaries \$1,270.

The department has also issued a report on Modern Life & Accident of Chicago as of June 30, 1946 showing assets \$75,088, emergency fund \$15,000 and surplus \$47,444. Ralph Manno is president. There are about 65 agents who get from 50 to 60% first year commissions and 40% on renewals.

For the first six months premium income was \$157,585, losses paid \$24,178, underwriting expense \$116,022, loss ratio on an earned-incurred basis 18, ratio of loss adjusting expenses 1.94 and underwriting expense ratio 73.92.

King Heads N. Y. Group

Howard G. King, president of Jamestown Mutual, was elected president of the Assn. of New York State Mutual Casualty Companies at the annual meeting. Richard Woike, president Manhattan Mutual Auto Casualty, is the new vice-president. Michael J. Murphy is general manager and Miss Emma C. Maycrink is secretary-treasurer.

Merchants Mutual Casualty and Security Taxpayers Mutual were elected to the governing committee.

Army Names Safety Center

The War Department has appointed Center for Safety Education at New York University as its peacetime training agency for safety personnel now stationed at all army posts in the U. S. The center was founded in 1938 through a grant from Assn. of Casualty & Surety Executives and is still chiefly financed by the association.

The Lawrence-Reamer agency, Norwalk, O., has been incorporated as Walter O. Pressing Co. Leighton Battles, who has been with the agency a number of years, is now a member of the firm.

The L. C. Moreland agency, at Carrollton, O., has been sold to Ralph McBane of Berghold, O., who will have offices at both places.

Fete Schleyer at 35-Year Mark

ST. LOUIS—A testimonial dinner was tendered to O. L. Schleyer, president of American-



O. L. Schleyer

Associated, by his associates at the head office as a recognition of his 35th anniversary with the company.

Otto Patterson, executive vice-president acted as toastmaster and presented a solid gold pen and pencil set to Mr. Schleyer on behalf of those attending. Included in those present were department heads, all officers and other members of the quarter century club situated here.

In addition to being president Mr. Schleyer has the distinction of being the companies' oldest employee from the standpoint of length of service, his anniversary date following by only 45 days the date on which American Automobile first opened its doors.

New Type Alarm Activated by Invisible Rays

A fire alarm device which is set off by the sensitizing of a Geiger-Mueller electron counter or similar tube rather than by the reaction of a heat-sensitive thermostat or thermopile is undergoing experimentation both in New York City and Washington, D. C.

One such device, sensitive to ultraviolet rays, is described in a report now on sale by the office of technical services, Dept. of Commerce, which was prepared by Herbert Friedman, physicist at the naval research laboratory, Washington, D. C. The photo-electronic device is said to detect a flame in a few seconds, although it is insensitive to smudge fires even though the heat radiated may be sufficient to operate conventional systems.

American District Telegraph Co. of New York City is conducting research on a similar device which reacts to infra-red rays. One advantage of using this sector of the spectrum, it is reported, is that infra-red rays may be caught in a reflector and concentrated on the electron counter. In this way the device may be beamed across a space of 40 to 50 feet to take in a fire hazard area.

A possible commercial application of the device, according to a District Telegraph engineer, is in situations where an industrial process causes fluctuations of temperature great enough to set off an ordinary alarm when no unfriendly fire exists. At this time the new instrument is confined to laboratory work and not available commercially.

Big Georgia High School Loss

ATLANTA—Caused by an oil stove explosion, Hazelhurst high school in Jeff Davis county, built in 1940, burned recently. The high school was valued at \$100,000.

New Wiseman & Bunting Office

Wiseman & Bunting, Washington adjusters, have opened an office at 2441 North Charles street, Baltimore. Manager is Robert L. Swanson who has been at Wilmington.

Miss Reba N. Obus, insurance and real estate broker of Camden, has been elected president of the New Jersey Council of Women Realtors. Other officers elected all being real estate and insurance brokers, or agents, are: Miss Agnes Coleman, Newark, vice-president; Mrs. F. J. Brown, Elizabeth, treasurer; Mrs. C. S. Holmes, Montclair, secretary.

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"Buena Vista"

HOME OF
JOHN M.
CLAYTON



"BUENA VISTA," so-called in honor of Zachary Taylor's victory at the battle of that name during the Mexican War, was built near Wilmington, Delaware by John Middleton Clayton in 1846. This large rambling brick house with its approach through a magnificent avenue of trees is still in the builder's family and is now owned by his grandnephew, Senator Clayton Douglass Buck. Many famous paintings still hang in "Buena Vista," including the distinguished portrait of Queen Elizabeth painted by Nicholas Hilliard in 1850, and several others painted by the renowned American artist, Gilbert Stuart.

John Clayton, Chief Justice of Delaware, United States Senator and Secretary of State under Zachary Taylor, was graduated from Yale College with the highest honors of his class. He then

studied law and was admitted to the bar in 1819. The skill with which he handled his cases and his remarkable powers of oratory soon made him the outstanding lawyer of his state. In 1828 he was elected to the Senate by the Whigs, and as the youngest member of that body he soon established an enviable reputation for himself as an orator. He continued to serve in the Senate until 1836, during which time he aided Henry Clay in putting through his famous tariff bill and was instrumental in effecting the satisfactory settlement of the Ohio-Michigan boundary dispute.

After his retirement from the Senate, Clayton became Chief Justice of Delaware for two and one-half years. Later he became interested in scientific farming and won an international reputation as an agriculturist. In 1845, he was again elected to the Senate where he served

brilliantly until he was appointed Secretary of State by President Taylor. In this capacity, one of Clayton's important contributions to his country was the program he prepared for opening up trade relations with the Orient which Commodore Perry used as a guide during his expedition to Japan. However, his greatest achievement in the diplomatic field was the famous Clayton-Bulwer Treaty with England, which settled disputes which were apparently leading to war with that country in 1850.

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